

NEW BUSINESS

REFERRAL

11-5-19.

**PLANNING AND
ECONOMIC
DEVELOPMENT
STANDING
COMMITTEE**

**OFFICE OF CONTRACTING
AND PROCUREMENT**

November 1, 2019

HONORABLE CITY COUNCIL:

The Purchasing Division of the Finance Department recommends a Contract with the following firm(s) or person(s):

6002500 100% City Funding – To Provide a Residential Rehabilitation at Address 8421 Gartner, for the Bridging Neighborhoods Program. – Contractor: Nora Contracting, LLC – Location: 3633 Michigan Avenue Suite 260, Detroit, MI 48216 – Contract Period: Upon City Council Approval through November 11, 2020 – Total Contract Amount: \$77,000.00.
HOUSING AND REVITALIZATION

Respectfully submitted,

Boysie Jackson, Chief Procurement Officer
Office of Contracting and Procurement

BY COUNCIL MEMBER _____ TATE _____

RESOLVED, that Contract No. 6002500 referred to in the foregoing communication dated November 1, 2019, be hereby and is approved.



CITY OF DETROIT
LAW DEPARTMENT

COLEMAN A. YOUNG MUNICIPAL CENTER
2 WOODWARD AVENUE, SUITE 500
DETROIT, MICHIGAN 48226-3437
PHONE 313•224•4550
FAX 313•224•5505
WWW.DETROITMI.GOV

9

Date: November 1, 2019

To: Honorable City Council

From: Law Department

Re: Fort Shelby Hotel – HUD 108 Loan

The Law Department has submitted privileged and confidential correspondence, dated November 1, 2019, regarding the above-referenced matter.



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WWW.DETROITMI.GOV

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November 1, 2019

Detroit City Council
1340 Coleman A. Young Municipal Center
Detroit, Michigan 48226

RE: Proposed Ordinance to Amend Chapter 43 of the 2019 Detroit City Code, Streets, Sidewalks, and Other Public Places, Article III, Opening, Closing, Extending, Widening, Vacating, Naming, and Renaming of Streets, and Assigning Secondary Names to Streets, Division 3, Secondary Naming of Streets.

Honorable City Council:

Pursuant to the request of City Council Member James Tate, the above-referenced ordinance is being submitted to Your Honorable Body for consideration. This proposed ordinance will amend Chapter 43 of the 2019 Detroit City Code, *Streets, Sidewalks, and Other Public Places*, Article III, *Opening, Closing, Extending, Widening, Vacating, Naming, and Renaming of Streets, and Assigning Secondary Names to Streets*, Division 3, *Secondary Naming of Streets*, by adding Section 43-3-41 through Section 43-3-66, to create a process for the assignment of secondary street signs, either by petition or City Council initiative; to provide criteria for eligibility for the assignment of a secondary street sign; to provide timing requirements for the process of assigning a secondary street sign; to establish responsibility for the cost of replacing a missing or damaged secondary street sign; to establish the duties of the Office of the City Clerk, Legislative Policy Division, and Department of Public Works in relation to the assignment of secondary street signs; to authorize the Legislative Policy Division to establish and charge a fee for the cost of administration, processing, issuance, and enforcement of a petition or City Council initiative for a secondary street sign; to authorize the Department of Public Works to establish and charge a fee for the cost of designing, producing, and installing a secondary street sign; to provide methods to remove a secondary street sign; to establish responsibility for the cost of the removal of a secondary street sign; and to establish a limit for the quantity of secondary street signs that may be assigned within a calendar year.

We are available to answer any questions that you may have regarding the proposed ordinance. Thank you for your consideration.

Respectfully submitted,

Alex Henderson
Assistant Corporation Counsel

Enclosure

S U M M A R Y

AN ORDINANCE to amend Chapter 43 of the 2019 Detroit City Code, *Streets, Sidewalks, and Other Public Places*, Article III, *Opening, Closing, Extending, Widening, Vacating, Naming, and Renaming of Streets, and Assigning Secondary Names to Streets*, Division 3, *Secondary Naming of Streets*, by adding Section 43-3-41, *Assignment of secondary street signs permitted*; Section 43-3-42, *Location of secondary street signs*; Section 43-3-43, *Maintenance of secondary street signs*; Section 43-3-44, *Removal of secondary street signs*; Section 43-3-45, *Limit on quantity of secondary street signs assigned per year*; Section 43-3-51, *Official petition form required*; Section 43-3-52, *Procedure*; Section 43-3-53, *Duties of the Legislative Policy Division to provide notice*; Section 43-3-54, *Duties of the Legislative Policy Division to prepare report*; Section 43-3-55, *Public hearing*; Section 43-3-56, *Resolution by the City Council authorizing secondary street sign*; Section 43-3-57, *Duties of the Department of Public Works*; Section 43-3-61, *Procedure for City Council initiative*; Section 43-3-62, *Duties of the Legislative Policy Division to provide notice regarding assignment of secondary street sign through City Council initiative*; Section 43-3-63, *Duties of the Legislative Policy Division to prepare report regarding assignment of secondary street sign through City Council initiative*; Section 43-3-64, *Public hearing regarding assignment of secondary street sign through City Council initiative*; Section 43-3-65, *Resolution by the City Council authorizing secondary street sign through City Council initiative*; and Section 43-3-66, *Duties of the Department of Public Works regarding assignment of secondary street sign through City Council initiative*; to create a process for the assignment of secondary street signs, either by petition or City Council initiative; to provide criteria for eligibility for the assignment of a secondary street sign; to provide timing requirements for the process of assigning a secondary street sign; to establish responsibility for the cost of replacing a missing or

damaged secondary street sign; to establish the duties of the Office of the City Clerk, Legislative Policy Division, and Department of Public Works in relation to the assignment of secondary street signs; to authorize the Legislative Policy Division to establish and charge a fee for the cost of administration, processing, issuance, and enforcement of a petition or City Council initiative for a secondary street sign; to authorize the Department of Public Works to establish and charge a fee for the cost of designing, producing, and installing a secondary street sign; to provide methods to remove a secondary street sign; to establish responsibility for the cost of the removal of a secondary street sign; and to establish a limit for the quantity of secondary street signs that may be assigned within a calendar year.

1 BY COUNCIL MEMBER _____ :

2 **AN ORDINANCE** to amend Chapter 43 of the 2019 Detroit City Code, *Streets, Sidewalks,*
3 *and Other Public Places*, Article III, *Opening, Closing, Extending, Widening, Vacating, Naming,*
4 *and Renaming of Streets, and Assigning Secondary Names to Streets*, Division 3, *Secondary*
5 *Naming of Streets*, by adding Section 43-3-41, *Assignment of secondary street signs permitted;*
6 Section 43-3-42, *Location of secondary street signs*; Section 43-3-43, *Maintenance of secondary*
7 *street signs*; Section 43-3-44, *Removal of secondary street signs*; Section 43-3-45, *Limit on*
8 *quantity of secondary street signs assigned per year*; Section 43-3-51, *Official petition form*
9 *required*; Section 43-3-52, *Procedure*; Section 43-3-53, *Duties of the Legislative Policy Division*
10 *to provide notice*; Section 43-3-54, *Duties of the Legislative Policy Division to prepare report*;
11 Section 43-3-55, *Public hearing*; Section 43-3-56, *Resolution by the City Council authorizing*
12 *secondary street sign*; Section 43-3-57, *Duties of the Department of Public Works*; Section 43-3-
13 61, *Procedure for City Council initiative*; Section 43-3-62, *Duties of the Legislative Policy*
14 *Division to provide notice regarding assignment of secondary street sign through City Council*
15 *initiative*; Section 43-3-63, *Duties of the Legislative Policy Division to prepare report regarding*
16 *assignment of secondary street sign through City Council initiative*; Section 43-3-64, *Public*
17 *hearing regarding assignment of secondary street sign through City Council initiative*; Section 43-
18 3-65, *Resolution by the City Council authorizing secondary street sign through City Council*
19 *initiative*; and Section 43-3-66, *Duties of the Department of Public Works regarding assignment*
20 *of secondary street sign through City Council initiative*; to create a process for the assignment of
21 secondary street signs, either by petition or City Council initiative; to provide criteria for eligibility
22 for the assignment of a secondary street sign; to provide timing requirements for the process of
23 assigning a secondary street sign; to establish responsibility for the cost of replacing a missing or

1 damaged secondary street sign; to establish the duties of the Office of the City Clerk, Legislative
2 Policy Division, and Department of Public Works in relation to the assignment of secondary street
3 signs; to authorize the Legislative Policy Division to establish and charge a fee for the cost of
4 administration, processing, issuance, and enforcement of a petition or City Council initiative for a
5 secondary street sign; to authorize the Department of Public Works to establish and charge a fee
6 for the cost of designing, producing, and installing a secondary street sign; to provide methods to
7 remove a secondary street sign; to establish responsibility for the cost of the removal of a secondary
8 street sign; and to establish a limit for the quantity of secondary street signs that may be assigned
9 within a calendar year.

10 **IT IS HEREBY ORDAINED BY THE PEOPLE OF THE CITY OF DETROIT**

11 **THAT:**

12 **Section 1.** Chapter 43 of the 2019 Detroit City Code, *Streets, Sidewalks, and Other Public*
13 *Places, Article III, Opening, Closing, Extending, Widening, Vacating, Naming, and Renaming of*
14 *Streets, and Assigning Secondary Street Names to Streets, Division 3, Secondary Naming of*
15 *Streets,* be amended by adding Section 43-3-41 through Section 43-3-100 to read as follows:

16 **CHAPTER 43. STREETS, SIDEWALKS, AND OTHER PUBLIC PLACES.**

17 **ARTICLE III. OPENING, CLOSING, EXTENDING, WIDENING, VACATING,**

18 **NAMING, AND RENAMING OF STREETS, AND ASSIGNING SECONDARY NAMES**

19 **TO STREETS.**

20 **DIVISION 3. SECONDARY NAMING OF STREETS (RESERVED).**

21 **Subdivision A. Generally.**

1 **Sec. 43-3-41. Assignment of secondary street signs permitted.**

2 (a) A street may be assigned a secondary street sign that displays a different name than
3 the official street name in accordance with this division.

4 (b) The assignment of a secondary street sign is for purposes of honorary recognition
5 only and shall not replace the official street name or require changing official maps, surveys, or
6 records.

7 (c) The assignment of a secondary street sign may be sought to recognize a person who
8 meets the following criteria:

9 (1) The person has achieved prominence as a result of his or her significant, positive,
10 and extraordinary contributions to the City of Detroit, State of Michigan, the United
11 States of America, or the international community;

12 (2) The person was a resident of the City for a cumulative time of not less than ten
13 years; and

14 (3) The person has been deceased for a period of not less than five years, unless either:
15 a. The person is deceased, and:

16 1. Held a public office in the federal government;

17 2. Died, or sustained an injury that caused death, while performing his
18 or her duty as a police officer, firefighter, or member of the
19 emergency medical services for the City; or

20 3. Served as a member of the United States Armed Forces, including
21 the reserve components, and was discharged or released under
22 conditions other than dishonorable, or died while on active duty in
23 the United States Armed Forces; or

- 1 b. The person is either alive or deceased, and:
- 2 1. The secondary street sign is requested by a City Council Member
- 3 pursuant to the procedure provided in Subdivision C of this division;
- 4 and
- 5 2. Separate letters of concurrence from at least three City Council
- 6 Members, including the City Council Member who submitted the
- 7 request, describing the particular circumstances that justify
- 8 exempting the proposed honoree from the requirement that an
- 9 honoree be deceased for a period of not less than five years are
- 10 attached to the request at the time it is forwarded to the Legislative
- 11 Policy Division pursuant to Section 43-3-61(b) of this Code, in
- 12 addition to the other attachments required by Section 43-3-61(c) of
- 13 this Code.

14 **Sec. 43-3-42. Location of secondary street signs.**

- 15 (a) The secondary street sign shall be placed above the official street sign and be of a
- 16 different color than the official street sign.
- 17 (b) A maximum of one secondary street sign shall be placed at only one identified
- 18 intersection in the area significant to the honoree's historical residence or the location of the
- 19 honoree's historical contribution. If a secondary street sign is assigned to the same intersection as
- 20 another secondary street sign, the secondary street sign that was assigned earlier may be subject to
- 21 removal for the purpose of installing the secondary street sign that was assigned more recently,
- 22 pursuant to Section 43-3-44(d) of this Code.

1 **Sec. 43-3-43. Maintenance of secondary street signs.**

2 A missing or damaged secondary street sign shall be replaced by the Department of Public
3 Works within 45 days from receipt of payment for the cost of replacement from the petitioner or
4 City Council Member who requested the secondary street sign.

5 **Sec. 43-3-44. Removal of secondary street signs.**

6 (a) A secondary street sign may be subject to removal after a period of five years from
7 the date of the sign's installation pursuant to either of the following:

8 (1) Submission to the City Council of a written recommendation from the Department
9 of Public Works that the secondary street sign should be removed pursuant to the
10 following:

11 a. Upon receipt of the written recommendation, the City Council shall
12 schedule a public hearing. Notice of the public hearing shall be:

13 1. Provided to the owners and occupants of real property within 300
14 linear feet of the intersection abutting such street that was assigned
15 the secondary street sign;

16 2. Published in a newspaper of general circulation at least five days
17 prior to the date fixed for the hearing; and

18 3. Provided to the original petitioner or City Council Member who
19 requested the secondary street sign.

20 b. Following the public hearing, the City Council shall adopt a resolution
21 approving or denying the recommendation submitted by the Department of
22 Public Works.

1 c. Upon the City Council's adoption of a resolution approving the
2 recommendation submitted by the Department of Public Works in
3 accordance with Subsection (a)(1)b of this section, said Department shall
4 remove the secondary street sign within 45 days of the adoption of the
5 resolution.

6 (2) The City Council may, on its own initiative, adopt a resolution to initiate the
7 removal of a secondary street sign pursuant to the following:

8 a. Upon the City Council's adoption of the resolution to initiate this procedure,
9 the City Council shall schedule a public hearing. Notice of the public
10 hearing shall be:

11 1. Provided to the owners and occupants of real property within 300
12 linear feet of the intersection abutting such street that was assigned
13 the secondary street sign;

14 2. Published in a newspaper of general circulation at least five days
15 prior to the date fixed for the hearing; and

16 3. Provided to the original petitioner or City Council Member who
17 requested the secondary street sign.

18 b. Following the public hearing, the City Council shall adopt a resolution
19 approving or denying the removal of the secondary street sign.

20 c. Upon the City Council's adoption of a resolution to approve the removal of
21 the secondary street sign in accordance with Subsection (a)(2)b of this
22 section, the Department of Public Works shall remove the secondary street
23 sign within 45 days of the adoption of the resolution.

1 (b) A secondary street sign may be subject to removal any time after the installation of
2 the secondary street sign pursuant to the following:

3 (1) Receipt of a petition for the removal of a secondary street sign from a resident of
4 the City by the Office of the City Clerk. A petition for the removal of a secondary
5 street sign shall contain the following:

- 6 a. A description of the secondary street sign that is sought to be removed,
7 including the name and location of the secondary street sign;
- 8 b. A statement of the reason or reasons for why the secondary street sign
9 should be removed; and
- 10 c. The signatures of at least 1/2 of all those who own or occupy property that
11 abuts a street and is within 300 linear feet of the intersection where the
12 secondary street sign is located, indicating their consent to the petition to
13 remove the secondary street sign.

14 (2) Upon receipt of a petition for the removal of a secondary street sign, the Office of
15 the City Clerk shall report receipt of the petition to the City Council, and transmit
16 the petition to the Legislative Policy Division.

17 (3) Within two weeks of receipt of a petition for the removal of a secondary street sign
18 from the Office of the City Clerk, the Legislative Policy Division shall complete a
19 review of the petition and determine whether at least 1/2 of all owners and
20 occupants of real property that abuts a street and is within 300 linear feet of the
21 intersection where the secondary street sign is located have signified, in writing,
22 their consent to granting such petition. After completing its review, the Legislative
23 Policy Division shall submit to the City Council a report of the Legislative Policy

1 Division's findings as to whether the petition contains the required number of
2 verified signatures.

3 (4) Upon receipt of a report from the Legislative Policy Division indicating that the
4 petition for the removal of a secondary street sign contains the required number of
5 verified signatures, the City Council shall schedule a public hearing. Notice of the
6 public hearing shall be:

- 7 a. Provided to the owners and occupants of real property that abuts a street and
8 is within 300 linear feet of the intersection where the secondary street sign
9 is located;
- 10 b. Published in a newspaper of general circulation at least five days prior to
11 the date fixed for the hearing;
- 12 c. Provided to the original petitioner or City Council Member who requested
13 the secondary street sign; and
- 14 d. Provided to the resident of the City who submitted the petition for the
15 removal of a secondary street sign.

16 (5) Following the public hearing, the City Council shall adopt a resolution approving
17 or denying the removal of the secondary street sign.

18 (6) Upon the City Council's adoption of a resolution to approve the removal of the
19 secondary street sign in accordance with Subsection (b)(4) of this section, the
20 Department of Public Works shall remove the secondary street sign within 45 days
21 of the adoption of the resolution.

22 (c) Petitions for the removal of a secondary street sign shall be provided by the Office
23 of the City Clerk. The petition shall state in bold face type that the consent of at least 1/2 of all

1 those who own or occupy property that abuts a street and is within 300 linear feet of the intersection
2 where the secondary street sign is located is required. No form other than that referenced in this
3 subsection shall be accepted as a valid petition for the removal of a secondary street sign.

4 (d) A secondary street sign may be subject to removal by the Department of Public
5 Works for the purpose of installing a new secondary street sign that is assigned to the same
6 intersection.

7 (e) The cost to remove a secondary street sign pursuant to a resolution that is adopted
8 in accordance with Subsection (a) of this section shall be borne as follows:

9 (1) If a secondary street sign is removed in accordance with the procedure provided in
10 Subsection (a)(1) of this section, the cost to remove the secondary street sign shall
11 be borne by the Department of Public Works.

12 (2) If a secondary street sign is removed in accordance with the procedure provided in
13 Subsection (a)(2) of this section, the cost to remove the secondary street sign shall
14 be borne by the City Council.

15 (f) The cost to remove a secondary street sign pursuant to Subsection (b) of this section
16 shall be borne by the resident who filed the petition for the removal of a secondary street sign with
17 the Office of the City Clerk.

18 (g) The cost to remove a secondary street sign for the purpose of installing a new
19 secondary street sign in accordance with Subsection (d) of this section shall be borne by the
20 petitioner or City Council Member requesting the new sign.

21 **Sec. 43-3-45. Limit on quantity of secondary street signs assigned per year.**

22 No more than five secondary street signs may be assigned by the City Council, whether
23 through petition or City Council initiative, pursuant to this division, each calendar year.

1 **Secs. 43-3-46 – 43-3-50. Reserved.**

2 **Subdivision B. Procedure for Installation of Secondary**

3 **Street Sign Through Petition.**

4 **Sec. 43-3-51. Official petition form required.**

5 (a) Petitions for the assignment of a secondary street sign in the City shall be provided
6 by the Office of the City Clerk.

7 (b) The petition shall state in bold face type that the consent of 2/3 of those who own
8 or occupy property that abuts the street within 300 linear feet of the intersection where the
9 secondary street sign is proposed to be located is required.

10 (c) No form other than that referenced in Subsection (a) of this section shall be
11 accepted as a valid petition for the assignment of a secondary street sign.

12 **Sec. 43-3-52. Procedure.**

13 (a) A petition for a secondary street sign shall be filed with the Office of the City Clerk.

14 (b) The petitioner shall provide the following as an attachment to the petition:

15 (1) Information pertaining to the proposed honoree, including a biography, honors
16 received, contributions to the local, State, national, or international community, and
17 other information that is sufficient to accurately assess the satisfaction of the criteria
18 provided in Section 43-4-41 of this Code;

19 (2) A letter of concurrence from either the proposed honoree's surviving spouse or
20 living descendants, if any such persons are practically accessible and able to
21 provide such letter of concurrence;

22 (3) The proposed location for the installation of the secondary street sign consistent
23 with Section 43-3-42 of this Code;

1 (4) Information that is sufficient to accurately assess the appropriateness of the
2 secondary street sign for the proposed location; and

3 (5) Proof of payment of the application fee described in Subsection (c) of this section.

4 (c) A non-refundable application fee shall be charged for the administration,
5 processing, issuance, and enforcement of the petition under this division. Payment of the
6 application fee shall be made payable to "City Treasurer," and submitted to the Legislative Policy
7 Division. In accordance with Section 9-507 of the Charter, the Legislative Policy Division shall
8 establish, subject to the approval of the City Council through adoption of a resolution, the amount
9 of the application fee.

10 (d) Upon receipt of a petition for a secondary street sign, and the non-refundable
11 application fee, the Office of the City Clerk shall assign a petition number to the petition, report
12 receipt of the petition to the City Council, and transmit the petition to the Legislative Policy
13 Division.

14 (e) Petitions for secondary street signs shall be submitted to, and accepted by, the
15 Office of the City Clerk from the date of July 1 until the date of December 31 of each calendar
16 year.

17 **Sec. 43-3-53. Duties of the Legislative Policy Division to provide notice.**

18 (a) Within two weeks of receipt of a petition for a secondary street sign from the Office
19 of the City Clerk, the Legislative Policy Division shall complete a review of the petition and
20 determine whether 2/3 of the owners and occupants of real property within 300 linear feet of the
21 proposed intersection abutting such street to be assigned a secondary street sign have signified, in
22 writing, their consent to granting such petition. Upon making its determination, the Legislative
23 Policy Division shall proceed according to the following:

1 (1) Where the petition does not contain the required number of verified signatures, the
2 Legislative Policy Division shall conclude its investigation and report its findings
3 to the City Council.

4 (2) Where the petition does contain the required number of verified signatures:

5 a. The Legislative Policy Division shall mail a copy of the petition, via first
6 class mail, to each owner and occupant as described in Subsection (a) of
7 this section, and a notice stating that they have 21 calendar days from the
8 date the notice is mailed to submit comments or objections regarding the
9 petition to the Legislative Policy Division; and

10 b. The Legislative Policy Division shall notify all necessary City departments,
11 including the Department of Public Works, Detroit Police Department, and
12 Detroit Fire Department, identified community groups in areas adjacent to
13 the subject street, and governmental agencies, including the United States
14 Postal Service, of the proposed secondary street sign, and that they have 21
15 calendar days from the date the notice is mailed to submit comments or
16 objections regarding the petition to the Legislative Policy Division.

17 (b) Upon expiration of the 21-day comment period, the Legislative Policy Division
18 shall make a written report summarizing the comments and objections, if any, regarding the
19 petition, and forward the report to the City Council.

20 **Sec. 43-3-54. Duties of the Legislative Policy Division to prepare report.**

21 (a) Between the dates of January 1 and April 30 of the calendar year immediately
22 following the calendar year in which the petition for a secondary street sign was filed with the
23 Office of the City Clerk, but after submission of the report referenced in Section 43-3-53(b) of this

1 Code, the Legislative Policy Division shall review all documentation submitted by the petitioner,
2 and prepare and submit a report of its findings as to whether the proposed secondary street sign
3 meets the following criteria:

- 4 (1) The proposed honoree positively reflects or exemplifies the cultural, social,
5 economic, or political history of the City, State, nation, or world;
- 6 (2) The proposed honoree was a resident of the City for a cumulative time of not less
7 than ten years;
- 8 (3) The proposed honoree either has been deceased for a period of not less than five
9 years, or is otherwise eligible for an exception to such requirement pursuant to
10 Section 43-3-41(c)(3) of this Code; and
- 11 (4) The proposed location of the secondary street sign bears a clear association with a
12 site, building, structure, or event directly related to the proposed honoree.
- 13 (b) Upon finding that all of the criteria listed in Subsection (a) of this section are met,
14 the Legislative Policy Division shall issue to the City Council a recommendation in favor of the
15 proposed secondary street sign, and submit a resolution for consideration by the City Council that
16 includes:
- 17 (1) A description of the historical significance of the proposed honoree;
- 18 (2) The appropriateness of the location where the secondary street sign is proposed to
19 be installed; and
- 20 (3) The requirement that the cost of designing, producing, and erecting the sign shall
21 be paid, in advance, to the street fund by the petitioner requesting the secondary
22 street sign.

1 (c) If the Legislative Policy Division determines that any of the criteria listed in
2 Subsection (a) of this section are not met, its report to the City Council shall so indicate.

3 **Sec. 43-3-55. Public hearing.**

4 (a) Upon receipt of the report from the Legislative Policy Division, the City Council
5 shall adopt a resolution fixing the time and place of a public hearing.

6 (b) The public hearing shall be fixed for a date between the months of January and May
7 of the calendar year immediately following the calendar year in which the petition for a secondary
8 street sign was filed with the Office of the City Clerk.

9 (c) Notice of the public hearing shall be:

10 (1) Provided to the owners and occupants of real property within 300 linear feet of the
11 proposed intersection abutting such street to be assigned a secondary street sign;
12 and

13 (2) Published in a newspaper of general circulation at least five days prior to the date
14 fixed for the hearing.

15 **Sec. 43-3-56. Resolution by the City Council authorizing secondary street sign.**

16 Where a petition for a secondary street sign is granted by the City Council, a certified copy
17 of the resolution adopting the request shall be transmitted by the Office of the City Clerk to the
18 Detroit Fire Department, Detroit Police Department, Department of Public Works, and the United
19 States Postal Service.

20 **Sec. 43-3-57. Duties of the Department of Public Works.**

21 (a) After adoption of the resolution by the City Council, the Department of Public
22 Works shall collect payment from the petitioner.

1 (1) Payment of an installation fee shall be made by the petitioner prior to the
2 installation of the secondary street sign for the cost of designing, producing, and
3 installing the sign; and

4 (2) The payment shall be deposited into the street fund.

5 (b) In accordance with Section 9-507 of the Charter, the Department of Public Works
6 shall establish, subject to the approval of the City Council through adoption of a resolution, the
7 amount of the installation fee described in Subsection (a)(1) of this section.

8 (c) The Department of Public Works shall erect the secondary street sign within 45
9 days from receipt of payment of the installation fee.

10 **Secs. 43-3-58 – 43-3-60. Reserved.**

11 **Subdivision C. Procedure for Installation of Secondary Street Sign**

12 **Through City Council Initiative.**

13 **Sec. 43-3-61. Procedure for City Council initiative.**

14 (a) The City Council may, on its own initiative and in accordance with the
15 requirements of this subdivision, adopt a resolution that assigns a secondary street sign based upon
16 criteria set forth in Section 43-3-41 of this Code without following the procedures that are set forth
17 in Subdivision B of this division.

18 (b) Any Member of the City Council may propose a secondary street sign for
19 consideration by forwarding a request to the Legislative Policy Division.

20 (c) The City Council Member shall provide the following as an attachment to the
21 request:

22 (1) Information pertaining to the proposed honoree, including biography, honors
23 received, contributions to the local, State, national, or international community, and

1 other information that is sufficient to accurately assess the satisfaction of the criteria
2 provided in Section 43-4-41 of this Code;

3 (2) A letter of concurrence from the proposed honoree, the proposed honoree's spouse
4 or surviving spouse, or any living descendants of the proposed honoree, if any such
5 persons are practically accessible and able to provide such letter of concurrence;

6 (3) If the proposed honoree is alive, or has been deceased for a period of less than five
7 years and does not satisfy the criteria provided in Section 43-3-41(c)(3)a of this
8 Code, three separate letters of concurrence from at least three City Council
9 Members, including the City Council Member who submitted the request,
10 describing the particular circumstances that justify exempting the proposed honoree
11 from the requirement that an honoree be deceased for a period of not less than five
12 years, as provided in Section 43-3-41(c)(3) of this Code;

13 (4) The proposed location for the installation of the secondary street sign consistent
14 with Section 43-3-42 of this Code;

15 (5) Information that is sufficient to accurately assess the appropriateness of the
16 secondary street sign for the proposed location; and

17 (6) Proof of payment of the application fee described in Subsection (d) of this section.

18 (d) A non-refundable application fee shall be charged for the administration,
19 processing, issuance, and enforcement of the request under this division. Payment of the
20 application fee shall be made payable to "City Treasurer," and submitted to the Legislative Policy
21 Division. In accordance with Section 9-507 of the Charter, the Legislative Policy Division shall
22 establish, subject to the approval of the City Council through adoption of a resolution, the amount
23 of the application fee.

1 (e) Requests submitted pursuant to this section may be forwarded to the Legislative
2 Policy Division from the date of July 1 until the date of December 31 of each calendar year.

3 **Sec. 43-3-62. Duties of the Legislative Policy Division to provide notice regarding assignment**
4 **of secondary street sign through City Council initiative.**

5 (a) Within two weeks of receipt of a request for a secondary street sign from a City
6 Council Member, the Legislative Policy Division shall mail a copy of the request, via first class
7 mail, to each owner and occupant of real property within 300 linear feet of the proposed
8 intersection abutting such street to be assigned a secondary street sign, and a notice stating that
9 they have 21 calendar days from the date the notice is mailed to submit comments or objections
10 regarding the request to the Legislative Policy Division.

11 (b) The Legislative Policy Division shall notify all necessary City departments,
12 including the Department of Public Works, Detroit Police Department, and Detroit Fire
13 Department, identified community groups in areas adjacent to the subject street, and governmental
14 agencies, including the United States Postal Service, of the proposed secondary street sign, and
15 that they have 21 calendar days from the date the notice is mailed to submit comments or objections
16 regarding the request to the Legislative Policy Division.

17 (c) Upon expiration of the 21-day comment period, the Legislative Policy Division
18 shall make a written report summarizing the comments and objections, if any, regarding the
19 request, and forward the report to the City Council.

1 **Sec. 43-3-63. Duties of the Legislative Policy Division to prepare report regarding assignment**
2 **of secondary street sign through City Council initiative.**

3 (a) Between the dates of January 1 and April 30 of the calendar year immediately
4 following the calendar year in which the request for a secondary street sign was forwarded to the
5 Legislative Policy Division, but after submission of the report referenced in Section 43-3-62(c) of
6 this Code, the Legislative Policy Division shall review all documentation submitted by the City
7 Council Member requesting the secondary street sign, and prepare and submit a report of its
8 findings as to whether the proposed secondary street sign does or does not meet the following
9 criteria:

- 10 (1) The proposed honoree positively reflects or exemplifies the cultural, social,
11 economic, or political history of the City, State, nation, or world;
12 (2) The proposed honoree was a resident of the City for a cumulative time of not less
13 than ten years;
14 (3) The proposed honoree either has been deceased for a period of not less than five
15 years, or is otherwise eligible for an exception to such requirement pursuant to
16 Section 43-3-41(c)(3) of this Code; and
17 (4) The proposed location of the secondary street sign bears a clear association with a
18 site, building, structure, or event directly related to the proposed honoree.
19 (b) Upon finding that all of the criteria listed in Subsection (a) of this section are met,
20 the Legislative Policy Division shall issue to the City Council a recommendation in favor of the
21 proposed secondary street sign, and submit a resolution for consideration by the City Council that
22 includes:
23 (1) A description of the historical significance of the proposed honoree;

1 (2) The appropriateness of the location where the secondary street sign is proposed to
2 be installed; and

3 (3) The requirement that the cost of designing, producing, and erecting the sign shall
4 be paid, in advance, to the street fund by the City Council Member requesting the
5 secondary street sign.

6 (c) If the Legislative Policy Division determines that any of the criteria listed in
7 Subsection (a) of this section are not met, its report to the City Council shall so indicate.

8 **Sec. 43-3-64. Public hearing regarding assignment of secondary street sign through City**
9 **Council initiative.**

10 (a) Upon receipt of the report from the Legislative Policy Division, the City Council
11 shall adopt a resolution fixing the time and place of a public hearing.

12 (b) The public hearing shall be fixed for a date between the months of January and May
13 of the calendar year immediately following the calendar year in which the request for a secondary
14 street sign was forwarded to the Legislative Policy Division.

15 (c) Notice of the public hearing shall be:

16 (1) Provided to the owners and occupants of real property within 300 linear feet of the
17 proposed intersection abutting such street to be assigned a secondary street sign;
18 and

19 (2) Published in a newspaper of general circulation at least five days prior to the date
20 fixed for the hearing.

1 **Sec. 43-3-65. Resolution by the City Council authorizing secondary street sign through City**
2 **Council initiative.**

3 Where a request for a secondary street sign is granted by the City Council, a certified copy
4 of the resolution adopting the request shall be transmitted by the Office of the City Clerk to the
5 Detroit Fire Department, Detroit Police Department, Department of Public Works, and the United
6 States Postal Service.

7 **Sec. 43-3-66. Duties of the Department of Public Works regarding assignment of secondary**
8 **street sign through City Council initiative.**

9 (a) After adoption of the resolution by the City Council, the Department of Public
10 Works shall collect payment from the City Council Member requesting the secondary street sign.

11 (1) Payment of an installation fee shall be made by the City Council Member prior to
12 the installation of the secondary street sign for the cost of designing, producing, and
13 installing the sign; and

14 (2) The payment shall be deposited into the street fund.

15 (b) In accordance with Section 9-507 of the Charter, the Department of Public Works
16 shall establish, subject to the approval of the City Council through adoption of a resolution, the
17 amount of the installation fee described in Subsection (a)(1) of this section.

18 (c) The Department of Public Works shall erect the secondary street sign within 45
19 days from receipt of payment of the installation fee.

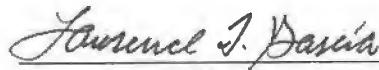
20 **Secs. 43-3-67 – 43-3-100. Reserved.**

21 **Section 2.** All ordinances, or parts of ordinances, that conflict with this ordinance are
22 repealed.

1 **Section 3.** This ordinance is declared necessary for the preservation of the public peace,
2 health, safety, and welfare of the People of the City of Detroit.

3 **Section 4.** Where this ordinance is passed by a two-thirds (2/3) majority of City Council
4 Members serving, it shall be given immediate effect and shall become effective upon publication
5 in accordance with Section 4-118(1) of the 2012 Detroit City Charter. Where this ordinance is
6 passed by less than two-thirds (2/3) majority of City Council Members serving, it shall become
7 effective thirty (30) days after publication in accordance with Section 4-118(2) of the 2012
8 Detroit City Charter.

Approved as to form:



Lawrence T. García
Corporation Counsel



CITY OF DETROIT
HOUSING AND REVITALIZATION DEPARTMENT

COLEMAN A. YOUNG MUNICIPAL CENTER
2 WOODWARD AVENUE, SUITE 908
DETROIT, MICHIGAN 48226
(313) 224-6380 • TTY:711
(313) 224-1629
WWW.DETROITMI.GOV



November 01, 2019

Detroit City Council
1340 Coleman A. Young Municipal Center
Detroit, MI 48226

**RE: Annual HOME, CDBG, NSP Awards
Additions to Previous Awards – Sugar Hill**

Honorable City Council:

The City of Detroit ("City"), through the Housing and Revitalization Department ("HRD"), makes annual funding available for "ready-to-proceed projects" from HOME, CDBG and NSP federal funds allocated to the City through the U.S. Department of Housing and Urban Development ("HUD"). HRD has continued to work closely with HUD to meet required commitment and disbursement deadlines for new and ongoing projects approved by the City.

In support of affordable housing opportunities, HRD is hereby requesting approval to increase funding for the following previously approved project:

1. Sugar Hill (\$300,000 in HOME, \$1,410,000 in CDBG) – Additional \$300,000 in HOME funds and a new allocation of \$1,410,000 in CDBG will be spent on this project to fill funding gaps in the project attributable to increased construction and environmental remediation costs.

We hereby request that your Honorable Body adopt the attached resolution that: (1) approves the aforementioned project funding increases and (2) authorizes the HRD Director, or his authorized designee, to execute such documents as may be necessary or convenient to complete the transactions.

Respectfully submitted,

Donald Rencher
Director

Attachments

cc: S. Washington, Mayor's Office
K. Vickers, Associate Director of Housing Underwriting

RESOLUTION

BY COUNCIL MEMBER: _____

WHEREAS, the City of Detroit receives an annual allocation of HOME, CDBG and NSP (program income) Development funds from the U.S. Department of Housing and Urban Development ("HUD"), through the Housing and Revitalization Department ("HRD"), for the purpose of creating affordable housing opportunities in Detroit neighborhoods; and

WHEREAS, the City Council authorized HRD's Director to accept and utilize HOME, CDBG and NSP funds according to HUD regulations during the City's annual budgeting process; and now therefore be it

RESOLVED, that the City Council approves the new and revised allocations for the HOME and CDBG loans and/or grants for developers and/or borrowers as provided for herein and in the attached Exhibit 1: New and Amended 2019 HOME, CDBG and NSP Awards in the amounts indicated and with authorization to vary such new and revised allocation amounts by not more or less than 10% at the discretion of the HRD Director; and be it further

RESOLVED, that HRD will use Appropriation No. 10821 to spend additional HOME funds for the following existing project: "Sugar Hill"- \$300,000; and be it further

RESOLVED, that HRD will use Appropriation No. 20541 to spend CDBG funds for the following existing project: "Sugar Hill" - \$1,410,000; and be it further

RESOLVED, that the HRD Director, or his authorized designee, is authorized to process, prepare and execute any and all loan and grant documents necessary or convenient to close, secure and use HOME and CDBG funds according to HUD regulations and as approved by this resolution; and be it finally

RESOLVED, that the Budget and Finance Directors are hereby authorized to increase the necessary accounts and honor expenditures, vouchers and payrolls when presented in accordance with the foregoing communication and standard City procedures.

(See attached Exhibit)

A Waiver of Reconsideration is requested.

Exhibit 1: New and Amended HOME, CDBG and NSP Awards

New Awards, Loan Modifications and/or Increases (Various Developers)

DEVELOPER OR BORROWER	PROJECT DESCRIPTION	PROJECT ACTION	TOTAL DEVELOPMENT COST	CURRENT ALLOCATION	New or Revised ALLOCATION	COMMENTS
POAH DD Sugar Hill LLC, POAH Support Corporation 2, Preservation of Affordable Housing, Inc. or other Develop Detroit affiliate and/or subsidiary	Sugar Hill 81-119 Garfield St Detroit, MI 48201 68 units 20% affordable	Increase the HOME allocation by \$300,000	\$36,336,813	\$1,700,000 in HOME	\$2,000,000 HOME	The project has incurred a \$2MM gap in financing. The developer will also contribute equity to fill the gap.



November 01, 2019

Detroit City Council
1340 Coleman A. Young Municipal Center
Detroit, MI 48226

**RE: Annual HOME, CDBG, NSP Awards
New Award / Additions to Previous Awards**

Honorable City Council:

The City of Detroit ("City"), through the Housing and Revitalization Department ("HRD"), makes annual funding available for "ready-to-proceed projects" from HOME, CDBG and NSP federal funds allocated to the City through the U.S. Department of Housing and Urban Development ("HUD"). HRD has continued to work closely with HUD to meet required commitment and disbursement deadlines for new and ongoing projects approved by the City.

In support of affordable housing opportunities, HRD has underwritten and approved the following new project for a 2019 HOME award as follows:

1. Northlawn Gardens (\$2,791,577.00 in HOME) - \$2,791,577.00 in HOME funds will be spent on this project to rehabilitate and preserve 96 units of affordable housing at 9454-9707 Northlawn Street.

Additionally, HRD is hereby requesting approval to increase funding for the following previously approved projects:

1. Brightmoor Homes I (Additional \$100,000 CDBG) – \$100,000 in additional CDBG funds will be spent on this project to cover closing costs for up to ten (10) qualified homebuyers.
2. Marlborough Project (Additional \$800,000 CDBG) – \$800,000 in additional CDBG funds will be spent on this project to cover increased construction costs.
3. University Meadows (Additional \$482,000 HOME) – \$482,000 in additional HOME funds will be spent on this project to reduce the outstanding deferred developer fee.
4. Clay Center (Additional \$147,847 HOME) – \$147,847 in additional HOME funds will be spent on this project to reduce the outstanding deferred developer fee.
5. Peterboro Arms (Additional \$685,065 HOME) – \$685,065 in additional HOME funds will be spent on this project to reduce the outstanding deferred developer fee.



We hereby request that your Honorable Body adopt the attached resolution that: (1) approves the aforementioned new project, (2) approves the aforementioned project funding increases and (3) authorizes the HRD Director, or his authorized designee, to execute such documents as may be necessary or convenient to complete the transactions.

Respectfully submitted,

Donald Rencher
Director

Attachments

cc: S, Washington, Mayor's Office
K. Vickers, Associate Director of Housing Underwriting

RESOLUTION

BY COUNCIL MEMBER: _____

WHEREAS, the City of Detroit receives an annual allocation of HOME, CDBG and NSP (program income) Development funds from the U.S. Department of Housing and Urban Development ("HUD"), through the Housing and Revitalization Department ("HRD"), for the purpose of creating affordable housing opportunities in Detroit neighborhoods; and

WHEREAS, the City Council authorized HRD's Director to accept and utilize HOME, CDBG and NSP funds according to HUD regulations during the City's annual budgeting process; and now therefore be it

RESOLVED, that the City Council approves the new and revised allocations for the HOME and CDBG loans and/or grants for developers and/or borrowers as provided for herein and in the attached Exhibit 1: New and Amended 2019 HOME, CDBG and NSP Awards in the amounts indicated and with authorization to vary such new and revised allocation amounts by not more or less than 10% at the discretion of the HRD Director; and be it further

RESOLVED, that HRD will use Appropriation No. 10821 to spend HOME funds for the following new project: "Northlawn Gardens"- \$2,791,577; and be it further

RESOLVED, that HRD will use Appropriation No. 20541 to spend additional CDBG funds for the following existing projects: "Brightmoor Homes I" - \$100,000 and "Marlborough Project"- \$800,000; and be it further

RESOLVED, that HRD will use Appropriation No. 10821 to spend additional HOME funds for the following existing projects: "University Meadows"- \$482,000, "Clay Center" - \$141,847 and "Peterboro Arms" - \$685,065; and be it further

RESOLVED, that the HRD Director, or his authorized designee, is authorized to process, prepare and execute any and all loan and grant documents necessary or convenient to close, secure and use HOME and CDBG funds according to HUD regulations and as approved by this resolution; and be it finally

RESOLVED, that the Budget and Finance Directors are hereby authorized to increase the necessary accounts and honor expenditures, vouchers and payrolls when presented in accordance with the foregoing communication and standard City procedures.

(See attached Exhibit)

A Waiver of Reconsideration is requested.

Exhibit 1: New and Amended HOME, CDBG and NSP Awards

New Awards, Loan Modifications and/or Increases (Various Developers)

DEVELOPER OR BORROWER	PROJECT DESCRIPTION	PROJECT ACTION	TOTAL DEVELOPMENT COST	CURRENT ALLOCATION	New or Revised ALLOCATION	COMMENTS
Northlawn LDHA LLC	Northlawn Gardens 9454-9707 Northlawn Street Detroit, MI 48204 96 units 100% affordable	Preserve the affordability of 96 units by allocating \$2,750,000 in HOME	\$10,326,703	None	\$2,791,577 HOME	Approval of new HOME Award in support of MSHDA 4% Low Income Housing Tax Credit allocation
Southwest Housing Solutions	Brightmoor Homes I 14529 Pierson, Detroit, MI and 49 other parcels in 48223 Zip Code	Facilitate additional sales through increasing the CDBG allocation by \$100,000..	\$8,750,000	\$495,000 CDBG (with authorized 10% increase)	Additional \$100,000 CDBG for a Total of \$550,000 CDBG	Southwest Solutions will work with the developer to assist in qualifying eligible tenants purchase existing rental homes
EJMS Marlborough LDHA, LLC	Marlborough Project 910 & 1031 Marlborough Detroit, MI 48215 23 units 48% affordable	Allocate \$800,000 in CDBG in support of the historic rehabilitation project	\$6,793,257	\$2,200,000 HOME (with authorized 10% increase)	Additional \$800,000 CDBG for a Total of \$2,200,000 in HOME and \$800,000 in CDBG and a Total combined allocation of \$3,000,000	Due to significant increases in construction costs and reduction in pricing for Historic Tax Credits, the project incurred a \$1.3MM gap in financing. Philanthropic dollars will cover the remaining needs.

<p>University Meadows I LDHA LP</p> <p>4500 Trumbull Ave. Detroit, MI 48208 53 units 100% affordable</p>	<p>Increase the preservation project's total amount of allocation by \$482,000 in HOME</p> <p>\$9,685,782</p> <p>\$1,540,000 HOME (with authorized 10% increase)</p>	<p>Additional \$482,000 HOME for a Total of \$2,022,000 HOME</p> <p>Increase HOME Award in support of MSHDA 4% Low Income Housing Tax Credit allocation</p>
<p>Clay Center</p> <p>3300 Mack Avenue Detroit, MI 48207 42 units 100% affordable</p>	<p>Increase the supportive housing project's total amount of allocation by \$141,847 in HOME</p> <p>\$11,577,523</p> <p>\$2,090,000 HOME \$500,000 CDBG</p>	<p>Additional \$141,847 HOME for a Total of \$2,231,847 HOME and \$500,000 CDBG and a</p> <p>Total combined allocation of \$2,731,847</p> <p>Increase HOME Award in support of MSHDA 9% Low Income Housing Tax Credit allocation</p>
<p>The Sanctuary LDHA LLC</p> <p>3300 Mack Avenue Detroit, MI 48207</p>	<p>Increase the supportive housing project's total amount of allocation by \$141,847 in HOME</p> <p>\$11,577,523</p> <p>\$2,090,000 HOME \$500,000 CDBG</p>	<p>Additional \$141,847 HOME for a Total of \$2,231,847 HOME and \$500,000 CDBG and a</p> <p>Total combined allocation of \$2,731,847</p> <p>Increase HOME Award in support of MSHDA 9% Low Income Housing Tax Credit allocation</p>
<p>Peterboro Arms</p> <p>26 Peterboro Detroit, MI 48201 56 units 100% affordable</p>	<p>Increase the supportive housing project's total amount of allocation by \$685,065 in HOME</p> <p>\$19,199,234</p> <p>\$1,839,000 HOME \$536,000 AHD&PFF</p>	<p>Additional \$685,065 HOME for a Total of \$2,524,065 HOME and \$536,000 AHD&PFF and a</p> <p>Total combined allocation of \$3,060,065</p> <p>Increase HOME Award in support of MSHDA 9% Low Income Housing Tax Credit allocation</p>



CITY OF DETROIT
HOUSING AND REVITALIZATION DEPARTMENT

COLEMAN A. YOUNG MUNICIPAL CENTER
2 WOODWARD AVENUE, SUITE 908
DETROIT, MICHIGAN 48226
(313) 224-6380 • TTY:711
(313) 224-1629
WWW.DETROITMI.GOV

13

November 1, 2019

Detroit City Council
1340 Coleman A. Young Municipal Center
Detroit, MI 48226

Re: Request for a Public Hearing to Establish an Obsolete Property Rehabilitation District on behalf of Next Cities Investments 1, LLC in the area of 3240 Woodbridge Street, Detroit, Michigan, in accordance with Public Act 146 of 2000 (Petition #991).

Honorable City Council:

The Housing and Revitalization Department has reviewed the application of **Next Cities Investments 1, LLC** and find that it satisfies the criteria set forth by P.A. 146 of 2000 and would be consistent with development and economic goals of the Master Plan.

Prior to acting upon a resolution to recommend approval, a public hearing must be held, and the City Clerk must provide written notice of the public hearing to the assessor and to the governing body of each taxing unit that levies an ad valorem tax within the eligible district, said notice is to be made **not less than 10 days or more than 30 days prior** to your Honorable Body's adoption of said resolution.

We request that a Public Hearing be scheduled on the issue of establishing an Obsolete Property Rehabilitation District. Attached for your consideration, please find a resolution establishing a date and time for the public hearing.

Respectfully submitted,

Donald Rencher
Director

DR/ml

cc: S. Washington, Mayor's Office
M. Cox, P&DD
D. Rencher, HRD
M. Langston, HRD



BY COUNCIL MEMBER

WHEREAS, pursuant to Public Act No. 146 of 2000 ("the Act") this City Council may adopt a resolution which approves the application of an Obsolete Property Rehabilitation District within the boundaries of the City of Detroit; and

WHEREAS, Next Cities Investments 1, LLC has filed an application for an Obsolete Property Rehabilitation District whose boundaries are particularly described in the map and legal description attached hereto; and

WHEREAS, prior to such approval, the City Council shall provide an opportunity for a Public Hearing, at which Public Hearing on such adoption of a resolution providing such tax exemption, at which Public Hearing representatives of any taxing authority levying *ad valorem* taxes within the City, or any other resident or taxpayer of the City of Detroit may appear and be heard on the matter.

NOW THEREFORE BE IT

RESOLVED, that on the 21st of November, 2019 in the City Council Committee Room, 13th floor, Coleman A. Young Municipal Center, a Public Hearing be held on the above described application and be it finally

RESOLVED, that the City Clerk shall give notice of the Public Hearing to the general public and shall give written notice of the Public Hearing by certified mail to all taxing authorities levying an *ad valorem* tax within the City of Detroit.

City of Detroit
OFFICE OF THE CITY CLERK

Janice M. Winfrey
City Clerk

Vivian A. Hudson
Deputy City Clerk

DEPARTMENTAL REFERENCE COMMUNICATION

Wednesday, July 17, 2019

To: The Department or Commission Listed Below
From: Janice M. Winfrey, Detroit City Clerk

The following petition is herewith referred to you for report and recommendation to the City Council.

In accordance with that body's directive, kindly return the same with your report in duplicate within four (4) weeks.

HOUSING AND REVITALIZATION PLANNING AND DEVELOPMENT DEPARTMENT
LAW DEPARTMENT FINANCE DEPARTMENT/ASSESSOR
LEGISLATIVE POLICY DIVISION

991 *Next Cities Investments 1, LLC, request to establish an Obsolete Property Rehabilitation District at 3240 Woodbridge Street.*



Detroit City Council
Coleman A. Young Municipal Center
2 Woodward Ave Suite 1340
Detroit, MI 48226

July 11, 2019

**RE: Request for the Establishment of an Obsolete Property Rehabilitation District at
3240 Woodbridge Street**

Honorable City Council:

Please accept this letter as a request to establish an Obsolete Property Rehabilitation District for the property located at **3240 Woodbridge Street, Detroit, MI 48207** and described on Attachment A.

The Project

The property consists of a two story, brick warehouse building and an attached one-story brick building, both constructed around 1910. The buildings are currently vacant and were used historically for manufacturing including screw and metal product manufacturing. We also purchased some adjoining land parcels which are not included in the requested OPRA District.

Next Cities acquired the property directly from Douthitt Corporation, which manufactures printing equipment. Douthitt owns other properties in the area and was not utilizing this facility.

3240 Woodbridge Summary	
Owner	3240 Woodbridge Holdings, LLC
Current Use	Empty warehouse/industrial
Proposed Use	Creative office suites
Existing SF	40,721SF
Completed SF	52,229 SF
Site Size	0.75 acres
Purchase Date	March 29, 2019
Purchase Price	\$1,765,000
Planned Capital Improvements	\$5,650,000
Parcel ID	13000105

Next Cities Investments

246 West End Avenue, 1A | New York, NY 10023

info@nextcitiesinvest.com

www.nextcitiesinvest.com



Next Cities Investments is partnering with Integrity Building Group, a local construction and architectural firm, to renovate and convert the existing building to office suites for small businesses and entrepreneurial tenants. Typical businesses are expected to include technology media, architecture, design, fashion, personal fitness and wellness, and non-profits. This tenant profile is similar to the Elevator Building at 1938 Franklin Street, which Next Cities also owns.

The loft office suites will be as small as 600 SF and can easily be combined to accommodate larger tenants. Building amenities will include a common social area, kitchen/coffee bar, conference rooms, outdoor patio, and bike storage.

The renovation will include installation of all new systems including HVAC, elevators, plumbing and electrical. The original window openings, which were bricked in, will be re-opened and re-glazed. The majority of suites will have their own access to water, which many find necessary for their business. High speed internet will be provided by Rocket Fiber. In addition, we plan to expand the building by adding an 11,500 SF second level to the single-story portion of the building. A detailed budget, floorplans, and renderings are attached.

Construction Budget

Next Cities and Integrity Building Group have prepared a detailed construction budget for the project, as shown below.

Next Cities Investments

246 West End Avenue, 1A | New York, NY 10023

info@nextcitiesinvest.com

www.nextcitiesinvest.com



Exhibit - A Budget Summary
(3240 Woodbridge)

4/29/19

		Existing	Expansion	Total
1	Demolition and Abatement	\$25,000.00	\$15,000.00	\$40,000.00
2	Site work	\$35,000.00	\$80,000.00	\$115,000.00
3	Concrete	\$24,000.00	\$30,000.00	\$54,000.00
4	Masonry	\$100,000.00	\$0.00	\$100,000.00
5	Structural steel	\$25,000.00	\$250,000.00	\$275,000.00
6	Wood and Plastics / Millwork	\$40,000.00	\$60,000.00	\$100,000.00
7A	Roofing	\$35,000.00	\$50,000.00	\$85,000.00
7B	Metal Siding	\$0.00	\$65,000.00	\$65,000.00
8A	Doors \ Frames \ Hardware	\$48,000.00	\$21,000.00	\$69,000.00
8B	Glass \ Glazing	\$175,000.00	\$100,000.00	\$275,000.00
9A	Finishes - Metal Studs\ Drywall	\$168,000.00	\$98,000.00	\$266,000.00
9B	Finishes - Concrete Polishing	\$132,460.00	\$0.00	\$132,460.00
9C	Finishes - Flooring	\$53,025.00	\$57,540.00	\$110,565.00
9D	Finishes - Paint	\$85,000.00	\$35,000.00	\$120,000.00
9E	Finishes - FFE	\$0.00	\$0.00	\$0.00
10	Specialties	\$10,000.00	\$10,000.00	\$20,000.00
14	Conveying Systems	\$100,000.00	\$0.00	\$100,000.00
21	Fire Suppression	\$162,884.00	\$40,032.00	\$208,916.00
22	HVAC	\$350,000.00	\$100,000.00	\$450,000.00
23	Plumbing	\$135,000.00	\$80,000.00	\$215,000.00
26	Electrical	\$320,000.00	\$85,000.00	\$405,000.00
28	Electrical - Low Voltage	\$50,000.00	\$15,000.00	\$65,000.00
Hard Cost Sub-total		\$2,073,369.00	\$1,197,572.00	\$3,270,941.00
General Conditions		\$103,668.45	\$59,878.60	\$163,547.05
Staff costs		\$165,869.52	\$95,805.76	\$261,675.28
Construction Management Fee		\$100,000.00	\$100,000.00	\$200,000.00
Hard Costs + General Conditions		\$2,442,906.97	\$1,453,256.36	\$3,896,163.33
Contingency		\$244,290.70	\$145,325.64	\$389,616.33
Total Project Estimate		\$2,687,197.67	\$1,598,582.00	\$4,285,779.66
1st Floor	Wood Building	10,605		
2nd Floor	Steel Building	19,511		
	Wood Building	10,605		
Total	Addition	11,508		
		52,229		\$82.06



Need for an OPRA Tax Abatement

Due to the substantial renovation costs, the transitional neighborhood, and the difficulty of obtaining financing, it is not possible to undertake this project without an OPRA exemption certificate. Keeping property taxes at a level that can be supported by market rents is necessary in order to provide adequate returns and obtain capital for the project. All property taxes on the building are current.

The property was acquired with an acquisition loan from Invest Detroit. Invest Detroit is also evaluating a potential construction loan for the project, subject to satisfactory financial projections. Obtaining the OPRA tax abatement is an important part of satisfying the underwriting requirements for the project. As shown in the attached financial projections, The stabilized debt service coverage is 1.24 in year 4 and 1.29 in year 5. This projection is based on the 2019 tax assessment, which is already increased from 2018. If property taxes were to increase further, the debt and the investment returns would not be viable. We are requesting the abatement for a term of 12 years.

3240 Woodbridge can play a key role in the revitalization of the East Riverfront by providing a home for small businesses, non-profit groups, and creative professionals. It is in a strategic location near the RiverPlace lofts, Harbortown, Thome Rivertown Senior apartments, University Prep Science and Math HS, The UAW GM Human Resources Center, and the Riverwalk. However, the immediate area surrounding the building contains many empty lots and abandoned buildings.

With the proposed renovations, Next Cities is confident that 3240 Woodbridge will attract new businesses to the area and help them to grow. In addition to providing employment opportunities, these businesses will help to support the retail and restaurants that are needed in order to transform the East Riverfront into a vibrant neighborhood. We also expect that several tenants will provide services to the community, including fitness and nutrition classes, after school programs, and educational programs.

Employment Impact

Immediate Impact - Construction

The major capital improvements will take approximately 1 year and are expected to be completed in 2020. Construction will create 147 full time jobs and 7 part time jobs as shown below:

Next Cities Investments

246 West End Avenue, 1A | New York, NY 10023

info@nextcitiesinvest.com

www.nextcitiesinvest.com

**Woodbridge Workforce**

	Full	Part
Construction Management	3	
Demolition	8	1
Concrete	6	1
Masonry	3	
Steel	5	
Carpentry - Rough	12	
Carpentry - Finish	6	
Carpentry - Millwork	4	
Thermal & Moisture - Roof	12	
Thermal & Moisture - Metal	6	
Doors & Windows	8	1
Finishes - Gypsum Board	15	
Finishes - Tile	4	
Finishes - Concrete	3	
Finishes - Carpet	3	
Finishes - Painter	6	
Fire Suppression	4	
HVAC Mechanical	8	1
Plumbing	6	1
Electrical	8	1
Low Voltage Electrical	5	1
Sitework	12	

Job Creation Summary

147 7

Next Cities Investments

246 West End Avenue, 1A | New York, NY 10023

info@nextcitiesinvest.comwww.nextcitiesinvest.com



Once construction is completed the building will require ongoing management. We intend to hire a local management company which will assign one senior manager and two to three part time maintenance people to the building. We will also employ a cleaning service, landscaping and snow removal services, and security services for the building.

Long Term Impact – Small Business Employment

Starting in 2020, 3240 Woodbridge will attract a user base of small entrepreneurial businesses, creative professionals, and non-profit groups who cannot afford or do not want to be in prime downtown office space. Typical businesses include media and entertainment, technology, architecture and design, fitness and fashion. These are relatively high paying jobs employing a diverse group of Detroit residents.

Office users typically require approximately 200SF per employee. Based on this requirement we estimate that the building will bring 226 new employees to the area. Assuming an average annual salary or business income of \$65,000 per employee, 3240 Woodbridge will bring \$14,690,000 in annual income to the area.

Employment and Income Projections – 3240 Woodbridge	
Rentable SF	48,900 SF
Stabilized Occupancy	92.5%
SF per employee	200
Projected Employment	226
Annual income per employee	\$65,000
Projected total Income	\$14,690,000



Next Cities is committed to the revitalization of Detroit's East Riverfront, as well as other neighborhoods. We believe that this project will bring substantial employment, income, and economic activity to the area. If you need any additional information or have questions regarding our request, please do not hesitate to contact me at the phone number or email listed below.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "M. Wasterlain".

Jean-Michel "Mitch" Wasterlain
Managing Partner
Next Cities Investments 1, LLC
917 826-2218
mwasterlain@nextcitiesinvest.com

Attachment A: Site Map that includes the parcel(s) of property / Legal Description

Attachment B: Paid Receipt of Current Taxes

Attachment C: Proposed floor plans and renderings

cc: K. Bridges, DEGC
N. Marsh, DEGC
V. Farley, HRD

The requested OPRA District is for Parcel 1 only, as outlined below.

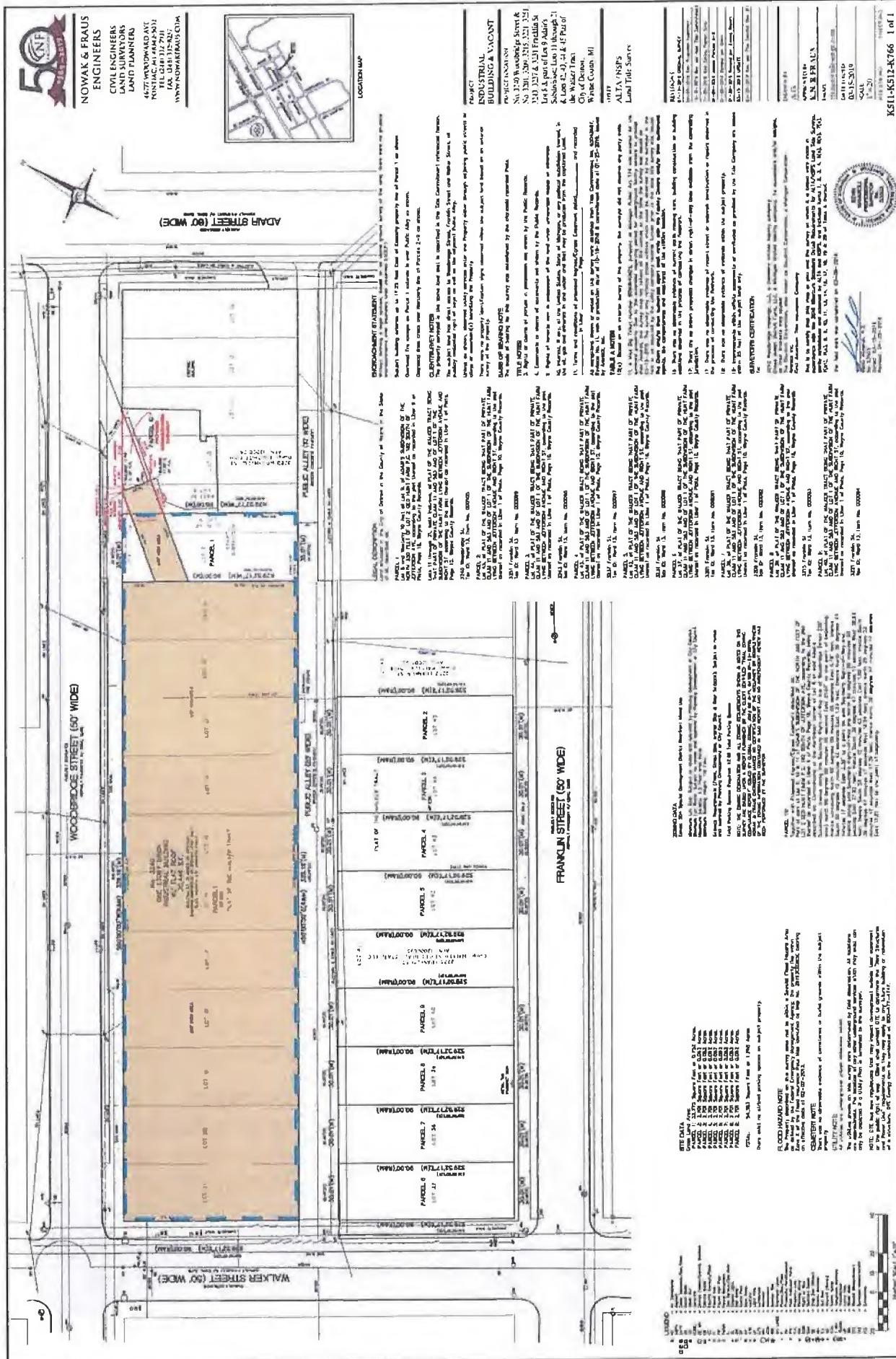


EXHIBIT B - CURRENT TAX INFORMATION DISCLOSURE

Tax Search Date: 3/6/2019	Title Number: 65042687	Order Date: 10/18/2018
Prepared For:	Client:	Seller:
Bodman PLC- Commercial - MI	Next Cities Investments I, LLC, a Delaware limited liability company	The Douthitt Corporation, a Michigan corporation
Loan Number: Woodbridge & Franklin		
Property Address: 3240 Woodbridge St., and 3251, 3243, 3237 & 3231 Franklin St, 3201, 3209, 3215, 3221 Franklin St., Detroit, MI 48207		
County: Wayne		
Revision Number: 4		

DETROIT CITY - MailingAddress
 PO BOX 55000, DETROIT, MI 48255
 (313) 224-3560 http://www.waynecounty.com/treasurer/treasurer_payonline.htm

Property Tax ID: Ward 13, Item No. 000105 (Parcel 1)

Tax Type: City

Tax Year: 2018

Next Bill Date 1: Jul 1, 2019

Next Bill Date 2: Dec 1, 2019

Duplicate Bill Fee: \$2.00

Billing Method: Advance

Payment Frequency: SEMI-ANNUAL

Primary Residence Exemption does not apply

Tax Billing Period: 1/1/2018 - 12/31/2018

Paid/ Unpaid	Due Date	Delinquent Date	Discount Date	Amount	Discounted Amount**	Amount Paid	Remaining Balance
Paid	7/1/2018	9/1/2018		\$18,801.27	\$0.00	\$18,801.27	\$0.00
Paid	12/1/2018	1/16/2019		\$2,303.95	\$0.00	\$2,303.95	\$0.00

Comments: 2018 Summer and Winter Taxes

NOTE: 07/01 taxes include \$100.00 inspection fee

DETROIT CITY - MailingAddress
 PO BOX 55000, DETROIT, MI 48255
 (313) 224-3560 http://www.waynecounty.com/treasurer/treasurer_payonline.htm

Property Tax ID: Ward 13, Item No. 000099 (Parcel 2)

NOTE: We have made every effort to ensure the accuracy of this tax information. However, due to the frequency with which municipalities revise their fees and other specifications, we cannot assume liability for any discrepancy in the taxes. In the event that tax amounts have changed, please notify us so that we may update our records. Possible revenue bond charges for sewer/water pursuant to State Statute and local ordinances when connection to the system is made by the owner. The exact current and continuing charges depend on all the facts. Contact local officials for details. This is for information only and will not appear on the Title Policy.

Tax Type: City

Tax Year: 2018

Next Bill Date 1: Jul 1, 2019

Next Bill Date 2: Dec 1, 2019

Duplicate Bill Fee: \$2.00

Billing Method: Advance

Payment Frequency: SEMI-ANNUAL

Primary Residence Exemption does not apply

Tax Billing Period: 1/1/2018 - 12/31/2018

Paid/ Unpaid	Due Date	Delinquent Date	Discount Date	Amount	Discounted Amount**	Amount Paid	Remaining Balance
Paid	7/1/2018	9/1/2018		\$169.36	\$0.00	\$169.36	\$0.00
Paid	12/1/2018	1/16/2019		\$20.82	\$0.00	\$20.82	\$0.00
Comments: 2018 Summer and Winter Taxes							

DETROIT CITY - Mailing Address

PO BOX 55000, DETROIT, MI 48255

(313) 224-3560 http://www.waynecounty.com/treasurer/treasurer_payonline.htm

Property Tax ID: Ward 13, Item No. 000098 (Parcel 3)

Tax Type: City

Tax Year: 2018

Next Bill Date 1: Jul 1, 2019

Next Bill Date 2: Dec 1, 2019

Duplicate Bill Fee: \$2.00

Billing Method: Advance

Payment Frequency: SEMI-ANNUAL

Primary Residence Exemption does not apply

Tax Billing Period: 1/1/2018 - 12/31/2018

NOTE: We have made every effort to ensure the accuracy of this tax information. However, due to the frequency with which municipalities revise their fees and other specifications, we cannot assume liability for any discrepancy in the taxes. In the event that tax amounts have changed, please notify us so that we may update our records. Possible revenue bond charges for sewer/water pursuant to State Statute and local ordinances when connection to the system is made by the owner. The exact current and continuing charges depend on all the facts. Contact local officials for details. This is for information only and will not appear on the Title Policy.



Phone: 800-594-1044
Fax: 734-386-2092
CommercialSupport@amrock.com
amrock.com

Paid/ Unpaid	Due Date	Delinquent Date	Discount Date	Amount	Discounted Amount**	Amount Paid	Remaining Balance
Paid	7/1/2018	9/1/2018		\$169.36	\$0.00	\$169.36	\$0.00
Paid	12/1/2018	1/16/2019		\$20.82	\$0.00	\$20.82	\$0.00
Comments: 2018 Summer and Winter Taxes							

DETROIT CITY - MailingAddress
PO BOX 55000, DETROIT, MI 48255
(313) 224-3560 http://www.waynecounty.com/treasurer/treasurer_payonline.htm

Property Tax ID: Ward 13, Item No. 000097 (Parcel 4)

Tax Type: City

Tax Year: 2018

Next Bill Date 1: Jul 1, 2019

Next Bill Date 2: Dec 1, 2019

Duplicate Bill Fee: \$2.00

Billing Method: Advance

Payment Frequency: SEMI-ANNUAL

Primary Residence Exemption does not apply

Tax Billing Period: 1/1/2018 - 12/31/2018

Paid/ Unpaid	Due Date	Delinquent Date	Discount Date	Amount	Discounted Amount**	Amount Paid	Remaining Balance
Paid	7/1/2018	9/1/2018		\$169.36	\$0.00	\$169.36	\$0.00
Paid	12/1/2018	1/16/2019		\$20.82	\$0.00	\$20.82	\$0.00
Comments: 2018 Summer and Winter Taxes							

DETROIT CITY - MailingAddress
PO BOX 55000, DETROIT, MI 48255
(313) 224-3560 http://www.waynecounty.com/treasurer/treasurer_payonline.htm

Property Tax ID: Ward 13, Item No. 000096 (Parcel 5)

Tax Type: City

NOTE: We have made every effort to ensure the accuracy of this tax information. However, due to the frequency with which municipalities revise their fees and other specifications, we cannot assume liability for any discrepancy in the taxes. In the event that tax amounts have changed, please notify us so that we may update our records. Possible revenue bond charges for sewer/water pursuant to State Statute and local ordinances when connection to the system is made by the owner. The exact current and continuing charges depend on all the facts. Contact local officials for details. This is for information only and will not appear on the Title Policy.

Tax Year: 2018

Next Bill Date 1: Jul 1, 2019

Next Bill Date 2: Dec 1, 2019

Duplicate Bill Fee: \$2.00

Billing Method: Advance

Payment Frequency: SEMI-ANNUAL

Primary Residence Exemption does not apply

Tax Billing Period: 1/1/2018 - 12/31/2018

Paid/ Unpaid	Due Date	Delinquent Date	Discount Date	Amount	Discounted Amount**	Amount Paid	Remaining Balance
Paid	7/1/2018	9/1/2018		\$169.36	\$0.00	\$169.36	\$0.00
Paid	12/1/2018	1/16/2019		\$20.82	\$0.00	\$20.82	\$0.00
Comments: 2018 Summer and Winter Taxes							

DETROIT CITY - Mailing Address

PO BOX 55000, DETROIT, MI 48255

(313) 224-3560 http://www.waynecounty.com/treasurer/treasurer_payonline.htm

Property Tax ID: Ward 13, Item No. 000091 (Parcel 6)

Tax Type: City

Tax Year: 2018

Next Bill Date 1: Jul 1, 2019

Next Bill Date 2: Dec 1, 2019

Duplicate Bill Fee: \$2.00

Billing Method: Advance

Payment Frequency: SEMI-ANNUAL

Primary Residence Exemption does not apply .

Tax Billing Period: 1/1/2018 - 12/31/2018

NOTE: We have made every effort to ensure the accuracy of this tax information. However, due to the frequency with which municipalities revise their fees and other specifications, we cannot assume liability for any discrepancy in the taxes. In the event that tax amounts have changed, please notify us so that we may update our records. Possible revenue bond charges for sewer/water pursuant to State Statute and local ordinances when connection to the system is made by the owner. The exact current and continuing charges depend on all the facts. Contact local officials for details. This is for information only and will not appear on the Title Policy.

Paid/ Unpaid	Due Date	Delinquent Date	Discount Date	Amount	Discounted Amount**	Amount Paid	Remaining Balance
Paid	7/1/2018	9/1/2018		\$161.67	\$0.00	\$161.67	\$0.00
Paid	12/1/2018	1/16/2019		\$19.88	\$0.00	\$19.88	\$0.00
Comments: 2018 Summer and Winter Taxes							

DETROIT CITY - Mailing Address
 PO BOX 55000, DETROIT, MI 48255
 (313) 224-3560 http://www.waynecounty.com/treasurer/treasurer_payonline.htm

Property Tax ID: Ward 13, Item No. 000092 (Parcel 7)

Tax Type: City

Tax Year: 2018

Next Bill Date 1: Jul 1, 2019

Next Bill Date 2: Dec 1, 2019

Duplicate Bill Fee: \$2.00

Billing Method: Advance

Payment Frequency: SEMI-ANNUAL

Primary Residence Exemption does not apply

Tax Billing Period: 1/1/2018 - 12/31/2018

Paid/ Unpaid	Due Date	Delinquent Date	Discount Date	Amount	Discounted Amount**	Amount Paid	Remaining Balance
Paid	7/1/2018	9/1/2018		\$169.36	\$0.00	\$169.36	\$0.00
Paid	12/1/2018	1/16/2019		\$20.82	\$0.00	\$20.82	\$0.00
Comments: 2018 Summer and Winter Taxes							

DETROIT CITY - Mailing Address
 PO BOX 55000, DETROIT, MI 48255
 (313) 224-3560 http://www.waynecounty.com/treasurer/treasurer_payonline.htm

Property Tax ID: Ward 13, Item No. 000093 (Parcel 8)

Tax Type: City

NOTE: We have made every effort to ensure the accuracy of this tax information. However, due to the frequency with which municipalities revise their fees and other specifications, we cannot assume liability for any discrepancy in the taxes. In the event that tax amounts have changed, please notify us so that we may update our records. Possible revenue bond charges for sewer/water pursuant to State Statute and local ordinances when connection to the system is made by the owner. The exact current and continuing charges depend on all the facts. Contact local officials for details. This is for information only and will not appear on the Title Policy.



Phone: 800-594-1044
Fax: 734-386-2092
CommercialSupport@amrock.com
amrock.com

Tax Year: 2018

Next Bill Date 1: Jul 1, 2019

Next Bill Date 2: Dec 1, 2019

Duplicate Bill Fee: \$2.00

Billing Method: Advance

Payment Frequency: SEMI-ANNUAL

Primary Residence Exemption does not apply

Tax Billing Period: 1/1/2018 - 12/31/2018

Paid/ Unpaid	Due Date	Delinquent Date	Discount Date	Amount	Discounted Amount**	Amount Paid	Remaining Balance
Paid	7/1/2018	9/1/2018		\$169.36	\$0.00	\$169.36	\$0.00
Paid	12/1/2018	1/16/2019		\$20.82	\$0.00	\$20.82	\$0.00
Comments: 2018 Summer and Winter Taxes							

DETROIT CITY - Mailing Address

PO BOX 55000, DETROIT, MI 48255

(313) 224-3560 http://www.waynecounty.com/treasurer/treasurer_payonline.htm

Property Tax ID: Ward 13, Item No. 000094 (Parcel 9)

Tax Type: City

Tax Year: 2018

Next Bill Date 1: Jul 1, 2019

Next Bill Date 2: Dec 1, 2019

Duplicate Bill Fee: \$2.00

Billing Method: Advance

Payment Frequency: SEMI-ANNUAL

Primary Residence Exemption does not apply

Tax Billing Period: 1/1/2018 - 12/31/2018

NOTE: We have made every effort to ensure the accuracy of this tax information. However, due to the frequency with which municipalities revise their fees and other specifications, we cannot assume liability for any discrepancy in the taxes. In the event that tax amounts have changed, please notify us so that we may update our records. Possible revenue bond charges for sewer/water pursuant to State Statute and local ordinances when connection to the system is made by the owner. The exact current and continuing charges depend on all the facts. Contact local officials for details. This is for information only and will not appear on the Title Policy.

Paid/ Unpaid	Due Date	Delinquent Date	Discount Date	Amount	Discounted Amount**	Amount Paid	Remaining Balance
Paid	7/1/2018	9/1/2018		\$169.36	\$0.00	\$169.36	\$0.00
Paid	12/1/2018	1/16/2019		\$20.82	\$0.00	\$20.82	\$0.00
Comments: 2018 Summer and Winter Taxes							

DETROIT CITY - Mailing Address
 PO BOX 55000, DETROIT, MI 48255
 (313) 224-3560 http://www.waynecounty.com/treasurer/treasurer_payonline.htm

Property Tax ID: PT Ward 13, Item No. 000104 (Parcel 10)

Tax Type: City

Tax Year: 2018

Next Bill Date 1: Jul 1, 2019

Next Bill Date 2: Dec 1, 2019

Duplicate Bill Fee: \$2.00

Billing Method: Advance

Payment Frequency: SEMI-ANNUAL

Primary Residence Exemption does not apply

Tax Billing Period: 1/1/2018 - 12/31/2018

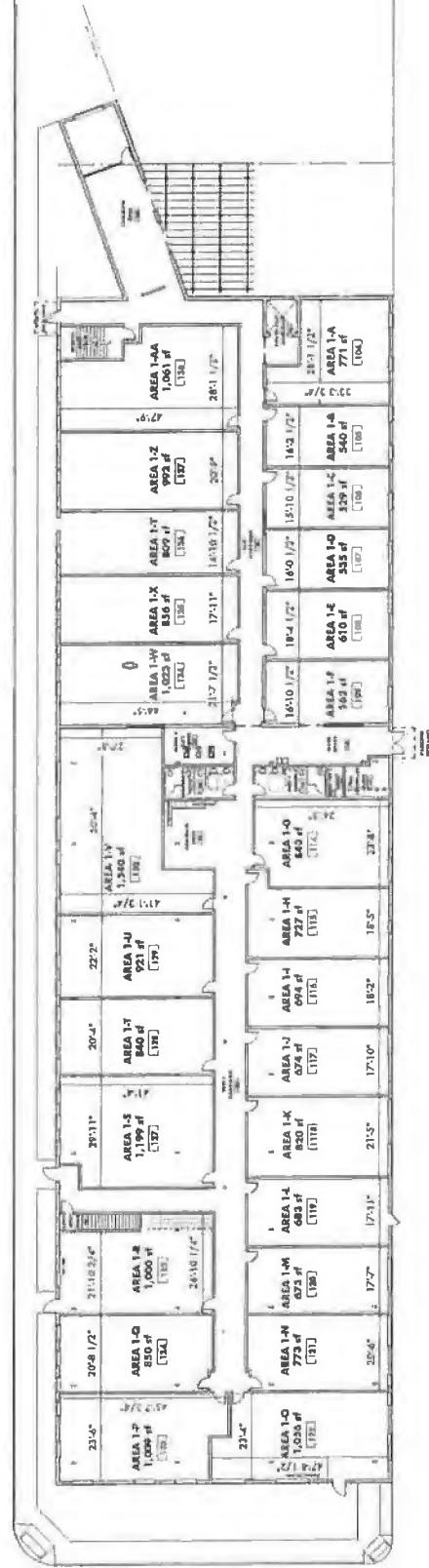
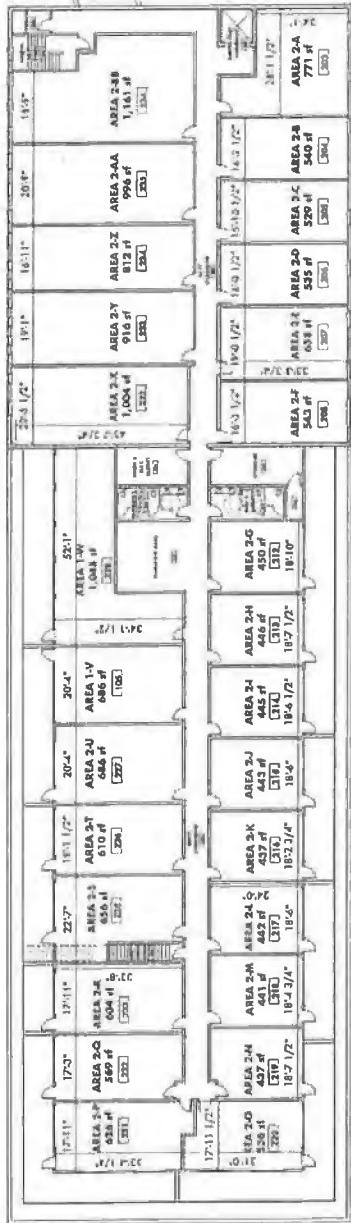
Paid/ Unpaid	Due Date	Delinquent Date	Discount Date	Amount	Discounted Amount**	Amount Paid	Remaining Balance
Paid	7/1/2018	9/1/2018		\$4,565.42	\$0.00	\$4,565.42	\$0.00
Paid	12/1/2018	1/16/2019		\$550.08	\$0.00	\$550.08	\$0.00
Comments: 2018 Summer and Winter Taxes 07/01 Installment Includes \$100.00 Inspection fee.							

Delinquent Taxes - None

NOTE: We have made every effort to ensure the accuracy of this tax information. However, due to the frequency with which municipalities revise their fees and other specifications, we cannot assume liability for any discrepancy in the taxes. In the event that tax amounts have changed, please notify us so that we may update our records. Possible revenue bond charges for sewer/water pursuant to State Statute and local ordinances when connection to the system is made by the owner. The exact current and continuing charges depend on all the facts. Contact local officials for details. This is for information only and will not appear on the Title Policy.

The Woodbridge

3240 Woodbridge, Detroit, MI 48207



The Woodbridge

3240 Woodbridge, Detroit, MI 48207
PRESENTATION 2

2019-07-17

991

991 *Petition of Next Cities Investments I, LLC, request to establish an Obsolete Property Rehabilitation District at 3240 Woodbridge Street.*

REFERRED TO THE FOLLOWING DEPARTMENT(S)

HOUSING AND REVITALIZATION PLANNING AND
DEVELOPMENT DEPARTMENT
LAW DEPARTMENT FINANCE DEPARTMENT/ASSESSOR
LEGISLATIVE POLICY DIVISION



CITY OF DETROIT
OFFICE OF THE CHIEF FINANCIAL OFFICER
OFFICE OF THE ASSESSOR

COLEMAN A. YOUNG MUNICIPAL CENTER
2 WOODWARD AVENUE, SUITE 824
DETROIT, MICHIGAN 48226
(313) 224-3011 • TTY:711
(313) 224-9400
WWW.DETROITMI.GOV

October 31, 2019

Katharine G. Trudeau, Deputy Director
Planning & Development Department
Coleman A. Young Municipal Center
2 Woodward Ave, Suite 808
Detroit, MI 48226

Re: ***Obsolete Property Rehabilitation District – Next Cities Investments***

Property Address: 3240 Woodbridge
Parcel Number: 13000105.

Dear Ms. Trudeau:

The Office of the Chief Financial Officer, Office of the Assessor, has reviewed the proposed Obsolete Property Rehabilitation District located at **3240 Woodbridge** in the **Rivertown – Warehouse District** area in the City of Detroit.

The rationale for creating Obsolete Property Rehabilitation Districts under PA 146 of 2000, as amended, is based on the anticipation of increased market value upon completion of new construction and /or significant rehabilitation of existing commercial property and commercial housing property. Normal repair and maintenance are not assessed and do not necessarily generate additional market value.

Next Cities Investments intends to renovate the vacant industrial warehouse building consisting of 41,768 square feet of building area, built in 1890, on .753 acres of land into loft office suites with a common social area, kitchen/coffee bar, conference rooms, outdoor patio and bike storage.

This property meets the criteria set forth under PA 146 of 2000, as amended. It applies to blighted, functionally obsolete and contaminated properties. "Rehabilitation," meaning that changes to qualified facilities that are required to restore or modify the property, together with all appurtenances, to an economically efficient condition. Rehabilitation also includes major renovation and modification including, but not necessarily limited to, the improvement of floor loads, correction of deficient or excessive height, new or improved fixed building equipment, including heating, ventilation, and lighting, reducing multistory facilities to 1 or 2 stories, adding additional stories to a facility or adding additional space on the same floor level not to exceed 100% of the existing floor space on that floor level, improved structural support including foundations, improved roof structure and cover, floor replacement, improved wall placement, improved exterior and interior appearance of buildings, and other physical changes required to restore or change the obsolete property to an economically efficient condition.

A field investigation indicated that the proposed Obsolete Property Rehabilitation District located at **3240 Woodbridge** is eligible as it pertains to the Obsolete Property Rehabilitation Act under P.A. 146 of 2000, as amended.

Sincerely,

Charles Ericson, MMAO
Assessor, Board of Assessors

mmp



Obsolete Property Rehabilitation District

Next Cities Investments

Page 2

Property Address: 3240 Woodbridge

Parcel Number: 13000105.

Property Owner: **3240 Woodbridge Holdings LLC**

Legal Description: S WOODBRIDGE W 10 FT 9 8 ADAIRS L9 P18 PLATS, W C R 13/9 11 THRU 21 WALKER TRACT L1 P10 PLATS, W C R 13/7 364 X 90

The legal description matches the OPRA district request.





TO: Matthew Langston, Housing and Revitalization
FROM: Esther Yang, Planning and Development
RE: Master Plan Interpretation for **Obsolete Property District** (PA 146) at 3240 Woodbridge Street
(Associated to Petition #991)
DATE: November 1, 2019
CC: Katherine Trudeau, Deputy Director, Planning and Development
Kevin Schronce, PDD Central, Planning and Development

In order to ensure that the **creation of an Obsolete Property District** is in conformance with the City's Master Plan of Policies and will have the reasonable likelihood to increase commercial activity; create, retain or prevent a loss of employment; revitalize an urban area; or increase the number of residents in a community, pursuant to State of Michigan, Public Act 146 of 2000 (section 125.2788), the Planning and Development Department submits the following interpretation. The Petitioner is Next Cities Investments 1, LLC

Location and Project Proposal: 3240 Woodbridge Street. The subject site consists of a two-story, brick warehouse building and an attached one-story brick building. Buildings are currently vacant and historically functioned for metal product manufacturing. Project seeks to renovate and convert the existing building into office suites for small businesses and entrepreneurial tenants. Typical businesses are expected to include technology media, architecture, design, fashion, personal fitness and wellness, and non-profits. The loft office suites will be as small as 600 square feet and can easily be combined to accommodate larger tenants. Building amenities will include a common social area, kitchen/coffee bar, conference rooms, outdoor patio, and bike storage.

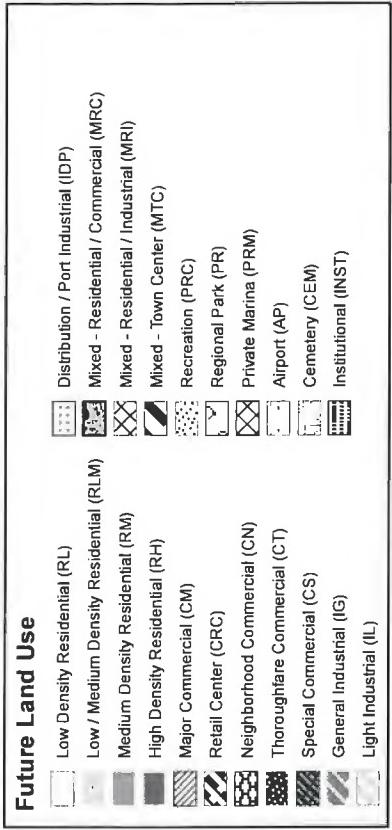
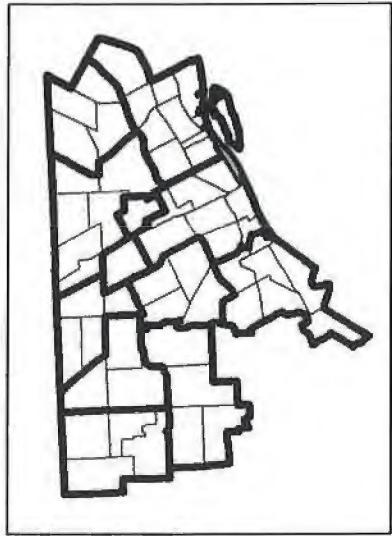
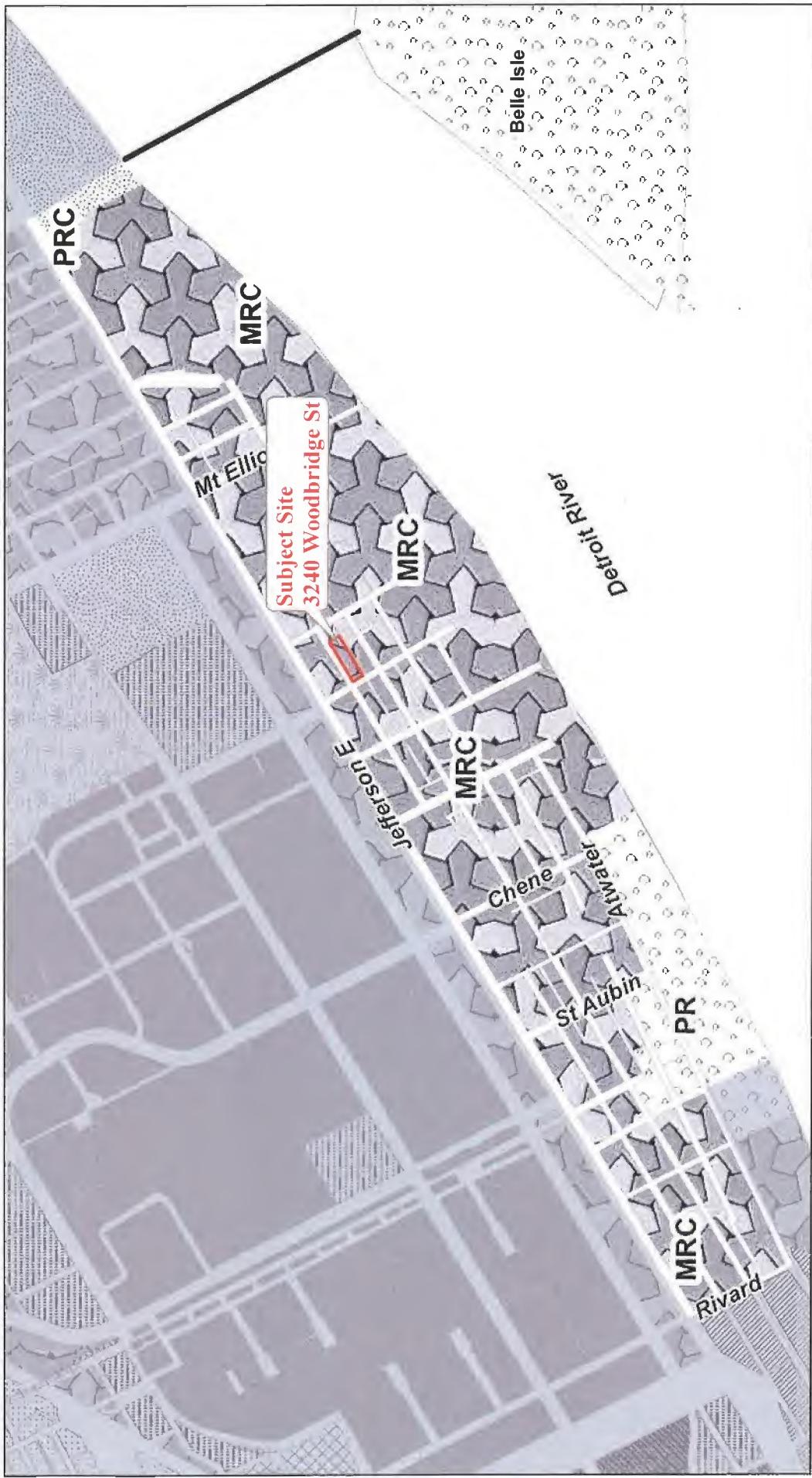
Master Plan Interpretation

The subject site area is designated **Mixed Residential-Commercial (MRC)**. Mixed Residential-Commercial areas consist primarily of high density housing developed compatibly with commercial and/or institutional uses. This classification is well suited to areas proximal to existing centers of major commercial activity, major thoroughfares, transportation nodes, or gateways into the city.

The proposed development conforms to the Future General Land Use characteristics of the area.

Attachments

Future General Land Use Map: Neighborhood Cluster 4, Near East Riverfront; Map 4-8B



Map 4-8B
City of Detroit
Master Plan of Policies

Neighborhood Cluster 4 Near East Riverfront

P D S D D



CITY OF DETROIT
HOUSING AND REVITALIZATION DEPARTMENT

COLEMAN A. YOUNG MUNICIPAL CENTER
2 WOODWARD AVENUE, SUITE 908
DETROIT, MICHIGAN 48226
(313) 224-6380 • TTY:711
(313) 224-1629
WWW.DETROITMI.GOV

14

November 1, 2019

Detroit City Council
1340 Coleman A. Young Municipal Center
Detroit, MI 48226

Re: Request for Public Hearing to Approve a Commercial Rehabilitation Certificate on behalf of 1400 Michigan Ave, LLC, in the area of 1400, 1410, and 1416 Michigan Ave, Detroit, Michigan, in accordance with Public Act 210 of 2005 (Petition #473).

Honorable City Council:

The Housing and Revitalization Department, Planning & Development Department and Finance Department have reviewed the application of **1400 Michigan Ave, LLC**, and find that it satisfies the criteria set forth by P.A. 210 of 2005 and would be consistent with development and economic goals of the Master Plan.

Public Act 210 of 2005 states that the legislative body of the qualified local governmental unit, shall by resolution either approve or disapprove the application for a Commercial Rehabilitation Exemption Certificate in accordance with Section 3 and other provisions of this act. Prior to acting upon a resolution to recommend approval, a public hearing must be held, and the City Clerk must provide written notice of the public hearing to the assessor and to the governing body of each taxing unit that levies an ad valorem tax within the eligible district.

We request that a Public Hearing be scheduled on the issue of approving the application for the Commercial Rehabilitation Certificate. Attached for your consideration, please find a resolution establishing a date and time for the public hearing.

Respectfully submitted,


Donald Rencher
Director

DR/ml
Cc: S. Washington, Mayor's Office
M. Cox, PDD
D. Rencher, HRD
M. Langston, HRD



BY COUNCIL MEMBER

WHEREAS, pursuant to Public Act 210 of 2005 (“the Act”) this City Council may adopt a resolution approving the application of a Commercial Rehabilitation Exemption Certificate within the boundaries of the City of Detroit; and

WHEREAS, **1400 Michigan Ave, LLC** has made application for a Commercial Rehabilitation Exemption Certificate whose boundaries are particularly described in the map and legal description attached hereto; and

WHEREAS, prior to such approval, the City Council shall provide an opportunity for a Public Hearing, at which a Public Hearing on such adoption of a resolution providing such tax exemption, at which Public Hearing representatives of any taxing authority levying *ad valorem* taxes within the City, or any other resident or taxpayer of the City of Detroit may appear and be heard on the matter.

NOW THEREFORE BE IT

RESOLVED, that on the 14th of November, 2019 in the City Council Committee Room, 13th floor, Coleman A. Young Municipal Center, a Public Hearing be held on the above described application and be it finally

RESOLVED, that the City Clerk shall give notice of the Public Hearing to the general public and shall give written notice of the Public Hearing by certified mail to all taxing authorities levying an *ad valorem* tax within the City of Detroit.

Janice M. Winfrey
City Clerk

City of Detroit
OFFICE OF THE CITY CLERK

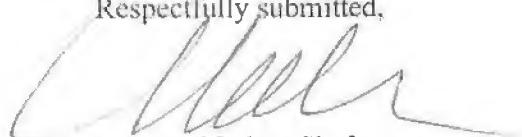
Andre P. Gilbert II
Deputy City Clerk

October 29, 2019

To: Maurice Cox, Director
Planning and Development Department
Coleman A. Young Municipal Center
2 Woodward Ave. Suite 908
Detroit, MI. 48226

Re: 1400 Michigan Ave, LLC

Please find attached an *amended* application for Commercial Rehabilitation Exemption Certificate for Property located at 1416 Michigan Ave, Detroit, MI 48214 (**RELATED TO PETITION #473**)

Respectfully submitted,

Nathan Shafer,
Jr. Asst. City Council Committee Clerk
Office of the City Clerk

CLARK HILL

Clark Hill PLC
500 Woodward Avenue
Suite 3500
Detroit, MI 48226
T 313.965.8300
F 313.965.8252

clarkhill.com

October 28, 2019

Detroit City Council
Coleman A. Young Municipal Center
2 Woodward Ave Suite 1340
Detroit, MI 48226

RE: Amendment to Petition #473

Honorable City Council:

Please accept this letter as a request to amend Petition #473 on behalf of 1400 Michigan Ave LLC (the "Applicant"). The original submission for Petition #473 consisted of the request for issuance of Commercial Rehabilitation Certificates for 1400 Michigan Avenue, Detroit, MI (Parcel Number: 06000410), 1410 Michigan Avenue, Detroit, MI (Parcel Number: 06000406-9), and 1416 Michigan Avenue (Parcel Number: 06000406-7) (collectively, the "Subject Property") on behalf of the Applicant.

Following submission of the original petition package on August 20, 2019, the Applicant has engaged in additional discussions with staff at both the Detroit Economic Growth Corporation and the Housing and Revitalization Department relative to the Commercial Rehabilitation Certificates requested. Pursuant to those discussions, the Applicant has revised certain portions of the original petition package. For convenience and clarity, the revised petition package is attached hereto in its entirety rather than merely the portions of the package that Applicant was directed to revise.

Should you have any questions or require any additional information you may contact me by phone at (313)965-8815 or via email at jkopietz@clarkhill.com. You may also contact Kevin Kovachevich directly by phone at (313) 241-9200 or via email at kevin@dcapdetroit.com.

Respectfully submitted,

Clark Hill PLC



Joseph S. Kopietz

cc: K. Bridges, DEGC
N. Marsh, DEGC
V. Farley, HRD
K. Kovachevich

Encl.

CLARK HILL

Clark Hill PLC
500 Woodward Avenue
Suite 3500
Detroit, MI 48226
T 313.965.8300
F 313.965.8252

clarkhill.com

October 28, 2019

Detroit City Council
Coleman A. Young Municipal Center
2 Woodward Ave Suite 1340
Detroit, MI 48226

RE: Request for issuance of a Commercial Rehabilitation Certificate for 1416 Michigan Avenue (Parcel Number: 06000406-7) (the "Subject Property") on behalf of 1400 Michigan Ave LLC (the "Applicant")

Honorable City Council:

Please accept this letter as a request to issue a Commercial Rehabilitation Certificate for the Subject Property, which is depicted on Attachment A1 and more particularly described on Attachment A2.

The buildings located at the Subject Property were originally constructed between 1888 and 1923 and consists of (i) a 15,150 square foot, three story, mixed-use building, (ii) a 2,100 square foot, two story, mixed-use building, and (iii) a 2,400 square foot, two story, residential building, all located in the Corktown neighborhood of Detroit. The Subject Property is located near the northwest corner of Michigan Avenue and 8th Street, approximately one mile from Detroit's central business district. The main floor of Michigan Avenue buildings on the Subject Property right now are retail spaces, apartments making up the upper floors as well as the Elizabeth Street building. Rehabilitation of the Subject Property will involve renovations to the existing apartments, improvements to the retail spaces and the replacement of the HVAC system. Additionally, the renovations will include exterior tuck pointing, painting, and general exterior renovations.

This request for issuance of a Commercial Rehabilitation Certificate for the Subject Property is being submitted along with requests for issuance of Commercial Rehabilitation Certificates for adjacent parcels as part of a larger redevelopment project. All of the subject parcels were acquired by the Applicant this month and all property taxes were paid on the subject parcels at the time of closing (see the Deed and Tax Information included as Attachments B and C).

While we have included the specific information related to the Subject Property on the attached application, we feel it is important for this Honorable Body to consider the project as a

whole as described herein. The ground floor of the project properties consists of eight (8) retail spaces, totaling 12,000 square feet. 30,100 square foot, two story, mixed-use property located in the Corktown neighborhood of Detroit. The second floor of the project properties consists of 14 residential units, including five (5) one-bedroom units and nine (9) two-bedroom units ranging in size from 1,250 – 1,850 square feet. The retail component of the project properties is currently fully leased, and the residential component of the property is currently 64% occupied. Additionally, the project property includes a 42-space surface lot on the Elizabeth street side which will provide parking for the residents and retail shoppers of the project tenants.

The business plan is to invest significant capital into the subject properties by renovating the apartment and retail units and updating up the exterior (particularly the rear of the buildings facing the parking lot and Elizabeth Street) give them a cleaner, fresher, more modernized look.

This development is eligible for a Commercial Rehabilitation Certificate due to the following qualifications:

MCL 207.842 Sec. 2. (h) "...Qualified facility also includes a building or a group of contiguous buildings, a portion of a building or group of contiguous buildings previously used for commercial or industrial purposes, obsolete industrial property, and vacant property which, within the immediately preceding 15 years, was commercial property as defined in subdivision (a)."

MCL 207.844 Sec. 4. (1) "If a commercial rehabilitation district is established under section 3, the owner of a qualified facility may file an application for a commercial rehabilitation exemption certificate with the clerk of the qualified local governmental unit that established the commercial rehabilitation district..."

The Applicant seeks tax relief through the PA210 in order to be able to meet minimum investment hurdles of the investors and to ensure the primary senior lender is able to meet minimum the debt service coverage hurdles per their standard underwriting. The Applicant is seeking the maximum number of years of the tax exemption, ten (10) plus the construction period of one (1) year for a total request of eleven (11) years.

The Applicant is currently investigating the number of full-time employees currently employed at the project properties. Based on the types of retail tenants in the buildings and the limited hours of operation, it seems the number of full-time employees is quite small. Ottawa Via, the tenant of 1400 Michigan Avenue, currently has a full staff while the other tenants seem to only be open limited hours or part time.

As part of the Applicant's business plan, we intend to invest significant dollars into improving the retail spaces to enhance the business of existing tenants and, as leases expire, attract tenants who have the need for more full-time employees. We are currently interviewing a pharmacy, a coffee house and a restaurant to potentially take space in the ground level retail spaces for which existing tenants have not committed to new leases. It should also be noted as part of the improvements to the project properties, Ottawa Via is expanding their space by over 1,500 SF to add a new restaurant which will add 1 full time employee. Additionally, the

October 28, 2019

Page 3

Applicant's sponsor, District Capital, will hire 1 full time employee in Detroit to oversee the construction management and property management of this property. It is anticipated, that upon completion of the retail renovations and reprogramming of the retail tenants, an additional 2-3 full time employees will be hired over the current workforce at the property. When the business plan is completed, we anticipate a total of 4-5 full time employees will be employed at the property.

The combined capital investment into the project properties will be upwards of \$750,000. These dollars will be spent on the demolition and reconstruction of the interiors of the apartments and retail spaces to modernize the current space and provide for a more open floor plan to live and conduct business in. This will include new kitchen cabinets, appliances, lighting package, doors, flooring, bathroom upgrades fixtures and painting. Additionally, we seek to upgrade the current HVAC systems in place, replace windows as necessary, conduct brick façade work and reconstruct the decking systems to provide for additional deck space and to ensure a safer decking option for the residential tenants. We anticipate this project will take 12 months to complete from start to finish and the rehabilitation is anticipated to commence before the end of 2019.

It is anticipated the project will be financed through a combination of senior debt provided by TCF Bank and equity as provided by the Applicant. There will be no other sources of public assistance or loan assistance required for this project.

When completed the project will provide for a number of economic advantages to the City of Detroit both long and short term in nature. We anticipate the investment in the property and the potential new tenants will significantly increase the daytime traffic and overall foot traffic to the Corktown area. We feel our capital investment will continue to encourage additional re-development and further investment in the immediate and surrounding areas. It is anticipated the long-term gains to the city will include increased real estate tax revenue after the PA210 abatement expiry and additional full-time employees hired at the property which provide additional tax revenue through City of Detroit income taxation.

The Applicant's investment team is uniquely positioned to execute on this development and provide certainty of execution of delivery. The team consists of Kevin Kovachevich, owner of District Capital, headquartered in Detroit, and Bob Lenz, owner of Peak Management headquartered in Royal Oak.

Kevin Kovachevich brings over 20 years of structured commercial real estate financing along with multi-family and commercial real estate ownership and management experience. Additionally, Kevin's company, District Capital, has its headquarters in Brush Park, just a short drive from the project property, which will allow there to be close oversight during the phases of renovation, lease-up, and stabilization.

Bob Lenz founded Peak Management in 2005 to manage multi-family real estate investments. Headquartered in Royal Oak, Michigan, the company has grown its portfolio to include nearly 3,000 units throughout the states of Michigan and Georgia. The team includes employees with expertise in management, leasing, maintenance, finance, integrated IT systems, and comprehensive marketing. We strive to provide communities that our residents are proud to call home. Peak Management's passion for providing customer service can be seen in our high renewal rates, referrals, and letters of appreciation from residents.

October 28, 2019

Page 4

Together Bob and Kevin own and manage over 3,000 apartment units in Michigan and Georgia and have been involved in multifamily asset ownership since 2006.

Should you have any questions or require any additional information you may contact by phone at (313)965-8815 or via email at jkopietz@clarkhill.com. You may also contact Kevin Kovachevich directly by phone at (313) 241-9200 or via email at kevin@dcapdetroit.com.

Respectfully submitted,

Clark Hill PLC



Joseph S. Kopietz

cc: K. Bridges, DEGC
N. Marsh, DEGC
V. Farley, HRD
K. Kovachevich

Attachment A: Application for Commercial Rehabilitation Exemption Certificate

Attachment A1: Site Map depicting the Subject Property

Attachment A2: Legal Description of Subject Property

Attachment B: Current Tax Information and Evidence of Payment

Attachment C: Vesting Deed

Attachment A
Application for Commercial Rehabilitation Exemption Certificate

[attached]

STATE USE ONLY		
Application Number	Date Received	LUCI Code

Application for Commercial Rehabilitation Exemption Certificate

Issued under authority of Public Act 210 of 2005, as amended.

Read the instructions page before completing the form. This application should be filed after the commercial rehabilitation district is established. The applicant must complete Parts 1, 2 and 3 and file one original application form (with required attachments) and one additional copy with the clerk of the local governmental unit (LGU). Attach the legal description of property on a separate sheet. This project will not receive tax benefits until approved by the State Tax Commission (STC). Applications received after October 31 may not be acted upon in the current year. This application is subject to audit by the STC.

PART 1: OWNER / APPLICANT INFORMATION (applicant must complete all fields)			
Applicant (Company) Name (applicant must be the owner of the facility) 1400 Michigan Ave LLC		NAICS or SIC Code 6519	
Facility's Street Address 1416 Michigan Avenue	City Detroit	State MI	ZIP Code 48216
Name of City, Township or Village (taxing authority) Detroit	County Wayne	School District Where Facility Is Located Detroit	
<input checked="" type="checkbox"/> City <input type="checkbox"/> Township <input type="checkbox"/> Village	Planned Date of Rehabilitation Completion (mm/dd/yyyy) 11/30/2020		
Date of Rehabilitation Commencement (mm/dd/yyyy) 12/01/2019	Number of Years Exemption Requested (1-10) 10		
Estimated Cost of Rehabilitation \$575,000			
Expected Project Outcomes (check all that apply)			
<input checked="" type="checkbox"/> Increase Commercial Activity	<input checked="" type="checkbox"/> Retain Employment	<input checked="" type="checkbox"/> Revitalize Urban Areas	
<input checked="" type="checkbox"/> Create Employment	<input type="checkbox"/> Prevent Loss of Employment	<input checked="" type="checkbox"/> Increase Number of Residents in Facility's Community	
No. of jobs to be created due to facility's rehabilitation 2	No. of jobs to be retained due to facility's rehabilitation 8	No. of construction jobs to be created during rehabilitation 5	

PART 2: APPLICATION DOCUMENTS

Prepare and attach the following items:

- | | |
|--|---|
| <input checked="" type="checkbox"/> General description of the facility (year built, original use, most recent use, number of stories, square footage) | <input checked="" type="checkbox"/> Statement of the economic advantages expected from the exemption |
| <input checked="" type="checkbox"/> Description of the qualified facility's proposed use | <input checked="" type="checkbox"/> Legal description |
| <input checked="" type="checkbox"/> Description of the general nature and extent of the rehabilitation to be undertaken | <input type="checkbox"/> Description of the "underserved area" (Qualified Retail Food Establishments only) |
| <input checked="" type="checkbox"/> Descriptive list of the fixed building equipment that will be a part of the qualified facility | <input type="checkbox"/> Commercial Rehabilitation Exemption Certificate for Qualified Retail Food Establishments (Form 4753) (Qualified Retail Food Establishments only) |
| <input checked="" type="checkbox"/> Time schedule for undertaking and completing the facility's rehabilitation | |

PART 3: APPLICANT CERTIFICATION

Name of Authorized Company Officer (no authorized agents) Kevin Kovachevich	Telephone Number 313-241-9200		
Fax Number	E-mail Address Kevin@DcapDetroit.com		
Street Address 42 Watson Suite D	City Detroit	State MI	ZIP Code 48201

I certify that, to the best of my knowledge, the information contained herein and in the attachments is truly descriptive of the property for which this application is being submitted. Further, I am familiar with the provisions of Public Act 210 of 2005, as amended, and to the best of my knowledge the company has complied or will be able to comply with all of the requirements thereof which are prerequisite to the approval of the application by the local governmental unit and the issuance of a Commercial Rehabilitation Exemption Certificate by the State Tax Commission.

I further certify that this rehabilitation program, when completed, will constitute a rehabilitated facility, as defined by Public Act 210 of 2005, as amended, and that the rehabilitation of this facility would not have been undertaken without my receipt of the exemption certificate.

Signature of Authorized Company Officer (no authorized agents) 	Title Member	Date 08/20/2019
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PART 4: ASSESSOR RECOMMENDATIONS (assessor of LGU must complete Part 4)

Provide the Taxable Value and State Equalized Value of Commercial Property, as provided in Public Act 210 of 2005, as amended, for the tax year immediately preceding the effective date of the certificate (December 31 of the year approved by the STC).

	Taxable Value	State Equalized Value (SEV)
Land		
Building(s)		

The property to be covered by this exemption may not be included on any other specific tax roll while receiving the Commercial Rehabilitation Exemption. For example, property on the Eligible Tax Reverted Property (Land Bank) specific tax roll cannot be granted a Commercial Rehabilitation Exemption that would also put the same property on the Commercial Rehabilitation specific tax roll.

By checking this box I certify that, if approved, the property to be covered by this exemption will be on the Commercial Rehabilitation Exemption specific tax roll and not on any other specific tax roll.

Name of Local Government Body

Name of Assessor (first and last name)	Telephone Number
Fax Number	E-mail Address

I certify that, to the best of my knowledge, the information contained in Part 4 of this application is complete and accurate.

Assessor's Signature	Date
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PART 5: LOCAL GOVERNMENT ACTION (clerk of LGU must complete Part 5)

Action Taken By LGU (attach a certified copy of the resolution):

- Exemption approved for _____ years, ending December 30, _____ (not to exceed 10 years)
 Exemption Denied

Local District Established (attach resolution for district)	Local Unit Classification Identification (LUCI) Code	School Code
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PART 6: LOCAL GOVERNMENT CLERK CERTIFICATION (clerk of LGU must complete Part 6)

Clerk's Name (first and last)	Telephone Number	
Fax Number	E-mail Address	
Mailing Address	City	State ZIP Code
LGU Contact Person for Additional Information	LGU Contact Person Telephone Number	Fax Number

I certify that, to the best of my knowledge, the information contained in this application and attachments is complete and accurate and hereby request the State Tax Commission issue a Commercial Rehabilitation Exemption Certificate, as provided by Public Act 210 of 2005, as amended.

Clerk's Signature	Date
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The clerk must retain the original application at the local unit and mail one copy of the completed application with attachments to:

State Tax Commission
P.O. Box 30471
Lansing, MI 48909

Instructions for Completing Form 4507

Application for Commercial Rehabilitation Exemption Certificate

The Commercial Rehabilitation Exemption Certificate was created by Public Act 210 of 2005, as amended. The application is initially filed, reviewed, and approved by the LGU and then reviewed and approved by the State Tax Commission. According to Section 3 of Public Act 210 of 2005, as amended, the LGU must establish a Commercial Rehabilitation District. Rehabilitation may commence after establishment of the Commercial Rehabilitation District.

Owner / Applicant Instructions

1. Complete Parts 1, 2 and 3 of application
 2. Prepare and attach all documents required under Part 2 of the application:
 - a. General description of the facility (year built, original use, most recent use, number of stories, square footage)
 - b. Description of the qualified facility's proposed use
 - c. Description of the general nature and extent of the rehabilitation to be undertaken
 - d. Descriptive list of the fixed building equipment that will be a part of the qualified facility
 - e. Time schedule for undertaking and completing the facility's rehabilitation
 - f. Statement of the economic advantages expected from the exemption
 - g. Legal description of the facility
 - h. Description of the "underserved area" (Qualified Retail Food Establishments only)
 3. Qualified Retail Food Establishments:
 - a. Complete Part 1 of the *Commercial Rehabilitation Exemption Certification for Qualified Retail Food Establishments* (Form 4753). Submit to LGU clerk along with application.
 - b. Describe the "underserved area" and provide supporting documentation to show how the project area meets one or more of the following requirements:
 - i. An area that contains a low to moderate income census tract(s) which, based on per capita income, are tracts below the 66.67 percentile (\$23,643 in 1999 dollars) and a below average supermarket density
 - ii. An area that has a supermarket customer base with more than 50% living in a low income census tract(s) which based on the per capita income, are tracts below the 66.67 percentile (\$23,643 in 1999 dollars)
 - iii. An area that has demonstrated significant access limitations due to travel distance and has no Qualified Retail Food Establishments within two miles of the geo-center for an urban area or has no Qualified Retail Food Establishments within nine miles of the geo-center for a rural area.
- For assistance in determining the project area's eligibility, visit www.michigan.gov/propertytaxexemptions and click on Commercial Rehabilitation Act.
4. Submit the application and all attachments to the clerk of the LGU where the property is located.

LGU Assessor Instructions

Complete and sign Part 4 of the application.

LGU Clerk Instructions

1. After LGU action, complete Part 5 of the application.
2. After reviewing the application for complete and accurate information, complete Part 6 and sign the application to certify the application meets the requirements as outlined by Public Act 210 of 2005, as amended.
3. Assemble the following for a complete application:
 - a. Completed *Application for Commercial Rehabilitation Exemption Certificate* (Form 4507)
 - b. All required attachments listed under Part 2
 - c. A copy of the resolution by the LGU establishing the district
 - d. A certified copy of the resolution by the LGU approving the application
 - e. Complete Form 4753 (Qualified Retail Food Establishments only)
4. Submit the completed application to: State Tax Commission, P.O. Box 30471, Lansing, MI 48909

Application Deadline

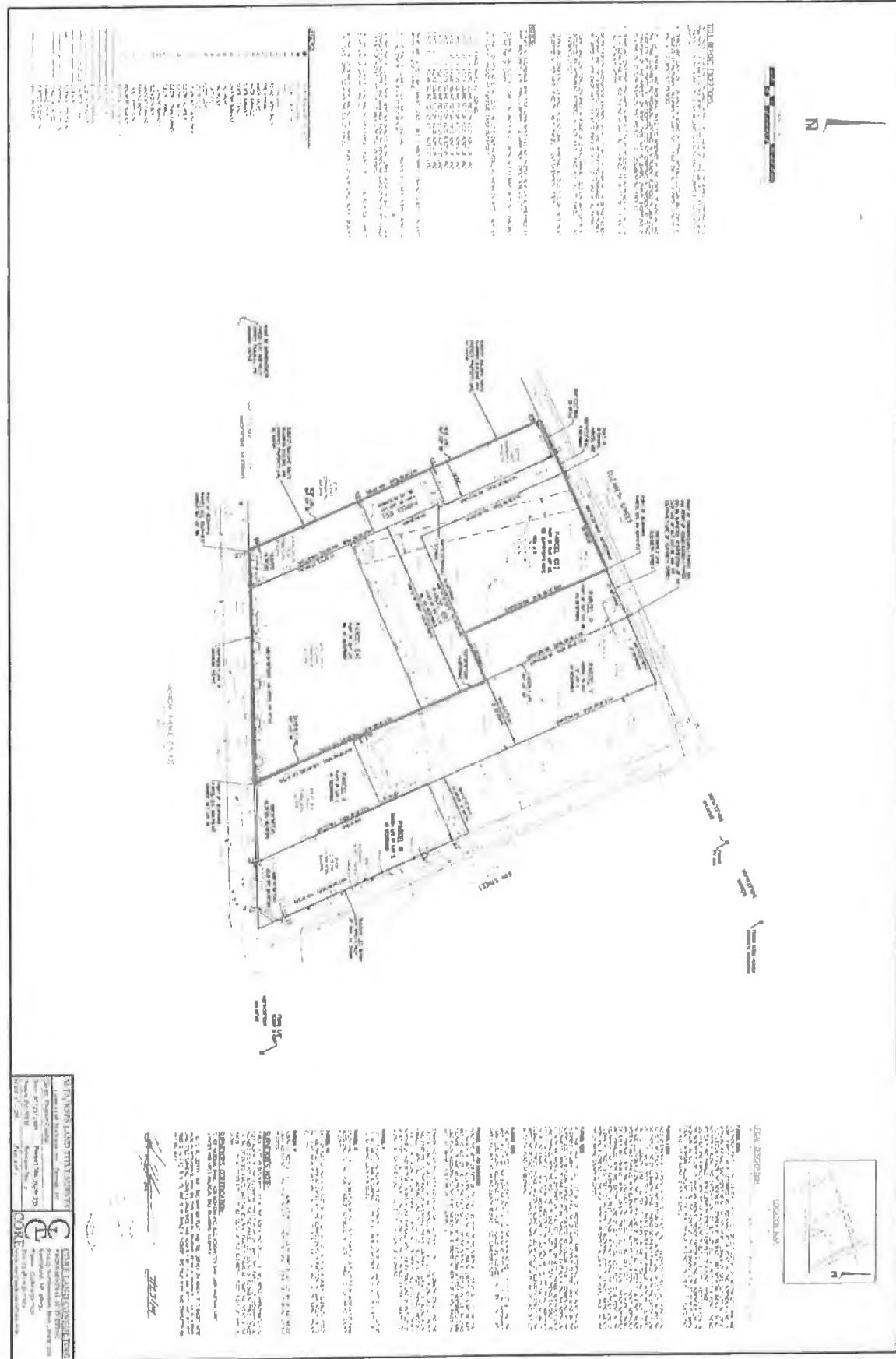
The State Tax Commission must receive complete applications on or before October 31 to ensure processing and certificate issuance for the following tax year. Applications received after October 31 may not be processed in time for certificate issuance for the following tax year.

For guaranteed receipt by the State Tax Commission, send applications and attachments via certified mail.

If you have questions or need additional information or sample documents, visit www.michigan.gov/propertytaxexemptions or call 517-335-7491

Attachment A1
Site Map depicting the Subject Property

[attached]



City of Detroit

Janice M. Winfrey
City Clerk

OFFICE OF THE CITY CLERK

Andre P. Gilbert II
Deputy City Clerk

October 29, 2019

To: Maurice Cox, Director
Planning and Development Department
Coleman A. Young Municipal Center
2 Woodward Ave. Suite 908
Detroit, MI. 48226

Re: 1400 Michigan Ave, LLC

Please find attached an *amended* application for Commercial Rehabilitation Exemption Certificate for Property located at 1400 Michigan Ave, Detroit, MI 48214 (**RELATED TO PETITION #473**)

Respectfully submitted,

Nathan Shafer,
Jr. Asst. City Council Committee Clerk
Office of the City Clerk

CLARK HILL

Clark Hill PLC
500 Woodward Avenue
Suite 3500
Detroit, MI 48226
T 313 965 8300
F 313 965 8252

clarkhill.com

October 28, 2019

Detroit City Council
Coleman A. Young Municipal Center
2 Woodward Ave Suite 1340
Detroit, MI 48226

RE: Request for issuance of a Commercial Rehabilitation Certificate for 1400 Michigan Avenue, Detroit, MI (Parcel Number: 06000410) (the "Subject Property") on behalf of 1400 Michigan Ave LLC (the "Applicant")

Honorable City Council:

Please accept this letter as a request to issue a Commercial Rehabilitation Certificate for the Subject Property, which is depicted on Attachment A1 and more particularly described on Attachment A2.

The building located at the Subject Property was originally constructed in 1914 and consists of a 6,364 square foot, two story, mixed-use building located in the Corktown neighborhood of Detroit. The Subject Property is located at the northwest corner of Michigan Avenue and 8th Street, approximately one mile from Detroit's central business district. The main floor of the Subject Property right now is a restaurant, with two apartments taking up the second floor. Rehabilitation of the Subject Property will involve renovations to the existing apartments and the replacement of the HVAC system. Additionally, the renovations will include exterior tuck pointing, painting, and general exterior renovations.

This request for issuance of a Commercial Rehabilitation Certificate for the Subject Property is being submitted along with requests for issuance of Commercial Rehabilitation Certificates for adjacent parcels as part of a larger redevelopment project. All of the subject parcels were acquired by the Applicant this month and all property taxes were paid on the subject parcels at the time of closing (see the Deed and Tax Information included as Attachments B and C).

While we have included the specific information related to the Subject Property above and on the attached application, we feel it is important for this Honorable Body to consider the project as a whole as described herein. The ground floor of the project properties consists of eight (8) retail spaces, totaling 12,000 square feet. 30,100 square foot, two story, mixed-use property located in the Corktown neighborhood of Detroit. The second floor of the project

October 28, 2019

Page 2

properties consists of 14 residential units, including five (5) one-bedroom units and nine (9) two-bedroom units ranging in size from 1,250 – 1,850 square feet. The retail component of the project properties is currently fully leased, and the residential component of the property is currently 64% occupied. Additionally, the project property includes a 42-space surface lot on the Elizabeth street side which will provide parking for the residents and retail shoppers of the project tenants.

The business plan is to invest significant capital into the subject properties by renovating the apartment and retail units and updating up the exterior (particularly the rear of the buildings facing the parking lot and Elizabeth Street) give them a cleaner, fresher, more modernized look.

This development is eligible for a Commercial Rehabilitation Certificate due to the following qualifications:

MCL 207.842 Sec. 2. (h) "...Qualified facility also includes a building or a group of contiguous buildings, a portion of a building or group of contiguous buildings previously used for commercial or industrial purposes, obsolete industrial property, and vacant property which, within the immediately preceding 15 years, was commercial property as defined in subdivision (a)."

MCL 207.844 Sec. 4. (1) "If a commercial rehabilitation district is established under section 3, the owner of a qualified facility may file an application for a commercial rehabilitation exemption certificate with the clerk of the qualified local governmental unit that established the commercial rehabilitation district..."

The Applicant seeks tax relief through the PA210 in order to be able to meet minimum investment hurdles of the investors and to ensure the primary senior lender is able to meet minimum the debt service coverage hurdles per their standard underwriting. The Applicant is seeking the maximum number of years of the tax exemption, ten (10) plus the construction period of one (1) year for a total request of eleven (11) years.

The Applicant is currently investigating the number of full-time employees currently employed at the project properties. Based on the types of retail tenants in the buildings and the limited hours of operation, it seems the number of full-time employees is quite small. Ottawa Via, the tenant of 1400 Michigan Avenue, currently has a full staff while the other tenants seem to only be open limited hours or part time.

As part of the Applicant's business plan, we intend to invest significant dollars into improving the retail spaces to enhance the business of existing tenants and, as leases expire, attract tenants who have the need for more full-time employees. We are currently interviewing a pharmacy, a coffee house and a restaurant to potentially take space in the ground level retail spaces for which existing tenants have not committed to new leases. It should also be noted as part of the improvements to the project properties, Ottawa Via is expanding their space by over 1,500 SF to add a new restaurant which will add 1 full time employee. Additionally, the Applicant's sponsor, District Capital, will hire 1 full time employee in Detroit to oversee the construction management and property management of this property. It is anticipated, that upon

October 28, 2019

Page 3

completion of the retail renovations and reprogramming of the retail tenants, an additional 2-3 full time employees will be hired over the current workforce at the property. When the business plan is completed, we anticipate a total of 4-5 full time employees will be employed at the property.

The combined capital investment into the project properties will be upwards of \$750,000. These dollars will be spent on the demolition and reconstruction of the interiors of the apartments and retail spaces to modernize the current space and provide for a more open floor plan to live and conduct business in. This will include new kitchen cabinets, appliances, lighting package, doors, flooring, bathroom upgrades fixtures and painting. Additionally, we seek to upgrade the current HVAC systems in place, replace windows as necessary, conduct brick façade work and reconstruct the decking systems to provide for additional deck space and to ensure a safer decking option for the residential tenants. We anticipate this project will take 12 months to complete from start to finish and the rehabilitation is anticipated to commence before the end of 2019.

It is anticipated the project will be financed through a combination of senior debt provided by TCF Bank and equity as provided by the Applicant. There will be no other sources of public assistance or loan assistance required for this project.

When completed the project will provide for a number of economic advantages to the City of Detroit both long and short term in nature. We anticipate the investment in the property and the potential new tenants will significantly increase the daytime traffic and overall foot traffic to the Corktown area. We feel our capital investment will continue to encourage additional re-development and further investment in the immediate and surrounding areas. It is anticipated the long-term gains to the city will include increased real estate tax revenue after the PA210 abatement expiry and additional full-time employees hired at the property which provide additional tax revenue through City of Detroit income taxation.

The Applicant's investment team is uniquely positioned to execute on this development and provide certainty of execution of delivery. The team consists of Kevin Kovachevich, owner of District Capital, headquartered in Detroit, and Bob Lenz, owner of Peak Management headquartered in Royal Oak.

Kevin Kovachevich brings over 20 years of structured commercial real estate financing along with multi-family and commercial real estate ownership and management experience. Additionally, Kevin's company, District Capital, has its headquarters in Brush Park, just a short drive from the project property, which will allow there to be close oversight during the phases of renovation, lease-up, and stabilization.

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October 28, 2019

Page 4

Together Bob and Kevin own and manage over 3,000 apartment units in Michigan and Georgia and have been involved in multifamily asset ownership since 2006.

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Respectfully submitted,

Clark Hill PLC



Joseph S. Kopietz

cc: K. Bridges, DEGC
N. Marsh, DEGC
V. Farley, HRD
K. Kovachevich

Attachment A: Application for Commercial Rehabilitation Exemption Certificate

Attachment A1: Site Map depicting the Subject Property

Attachment A2: Legal Description of Subject Property

Attachment B: Current Tax Information and Evidence of Payment

Attachment C: Vesting Deed

Attachment A
Application for Commercial Rehabilitation Exemption Certificate

[attached]

STATE USE ONLY		
Application Number	Date Received	LUCI Code

Application for Commercial Rehabilitation Exemption Certificate

Issued under authority of Public Act 210 of 2005, as amended.

Read the instructions page before completing the form. This application should be filed after the commercial rehabilitation district is established. The applicant must complete Parts 1, 2 and 3 and file one original application form (with required attachments) and one additional copy with the clerk of the local governmental unit (LGU). Attach the legal description of property on a separate sheet. This project will not receive tax benefits until approved by the State Tax Commission (STC). Applications received after October 31 may not be acted upon in the current year. This application is subject to audit by the STC.

PART 1: OWNER / APPLICANT INFORMATION (applicant must complete all fields)			
Applicant (Company) Name (applicant must be the owner of the facility) 1400 Michigan Ave LLC		NAICS or SIC Code 6519	
Facility's Street Address 1400 Michigan Avenue	City Detroit	State MI	ZIP Code 48216
Name of City, Township or Village (taxing authority) Detroit	County Wayne	School District Where Facility is Located Detroit	
<input checked="" type="checkbox"/> City <input type="checkbox"/> Township <input type="checkbox"/> Village			
Date of Rehabilitation Commencement (mm/dd/yyyy) 12/01/2019	Planned Date of Rehabilitation Completion (mm/dd/yyyy) 11/30/2020		
Estimated Cost of Rehabilitation \$75,000	Number of Years Exemption Requested (1-10) 10		
Expected Project Outcomes (check all that apply)			
<input checked="" type="checkbox"/> Increase Commercial Activity	<input checked="" type="checkbox"/> Retain Employment	<input checked="" type="checkbox"/> Revitalize Urban Areas	
<input checked="" type="checkbox"/> Create Employment	<input type="checkbox"/> Prevent Loss of Employment	<input checked="" type="checkbox"/> Increase Number of Residents in Facility's Community	
No. of jobs to be created due to facility's rehabilitation 1	No. of jobs to be retained due to facility's rehabilitation 1	No. of construction jobs to be created during rehabilitation 1	

PART 2: APPLICATION DOCUMENTS

Prepare and attach the following items:

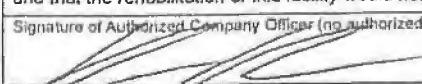
- | | |
|--|---|
| <input checked="" type="checkbox"/> General description of the facility (year built, original use, most recent use, number of stories, square footage) | <input checked="" type="checkbox"/> Statement of the economic advantages expected from the exemption |
| <input checked="" type="checkbox"/> Description of the qualified facility's proposed use | <input checked="" type="checkbox"/> Legal description |
| <input checked="" type="checkbox"/> Description of the general nature and extent of the rehabilitation to be undertaken | <input type="checkbox"/> Description of the "underserved area" (Qualified Retail Food Establishments only) |
| <input checked="" type="checkbox"/> Descriptive list of the fixed building equipment that will be a part of the qualified facility | <input type="checkbox"/> Commercial Rehabilitation Exemption Certificate for Qualified Retail Food Establishments (Form 4753) (Qualified Retail Food Establishments only) |
| <input checked="" type="checkbox"/> Time schedule for undertaking and completing the facility's rehabilitation | |

PART 3: APPLICANT CERTIFICATION

Name of Authorized Company Officer (no authorized agents) Kevin Kovachevich	Telephone Number 313-241-9200		
Fax Number	E-mail Address Kevin@DcapDetroit.com		
Street Address 42 Watson Suite D	City Detroit	State MI	ZIP Code 48201

I certify that, to the best of my knowledge, the information contained herein and in the attachments is truly descriptive of the property for which this application is being submitted. Further, I am familiar with the provisions of Public Act 210 of 2005, as amended, and to the best of my knowledge the company has complied or will be able to comply with all of the requirements thereof which are prerequisite to the approval of the application by the local governmental unit and the issuance of a Commercial Rehabilitation Exemption Certificate by the State Tax Commission.

I further certify that this rehabilitation program, when completed, will constitute a rehabilitated facility, as defined by Public Act 210 of 2005, as amended, and that the rehabilitation of this facility would not have been undertaken without my receipt of the exemption certificate.

Signature of Authorized Company Officer (no authorized agents) 	Title Member	Date 08/20/2019
---	------------------------	---------------------------

PART 4: ASSESSOR RECOMMENDATIONS (assessor of LGU must complete Part 4)

Provide the Taxable Value and State Equalized Value of Commercial Property, as provided in Public Act 210 of 2005, as amended, for the tax year immediately preceding the effective date of the certificate (December 31 of the year approved by the STC).

	Taxable Value	State Equalized Value (SEV)
Land		
Building(s)		

The property to be covered by this exemption may not be included on any other specific tax roll while receiving the Commercial Rehabilitation Exemption. For example, property on the Eligible Tax Reverted Property (Land Bank) specific tax roll cannot be granted a Commercial Rehabilitation Exemption that would also put the same property on the Commercial Rehabilitation specific tax roll.

By checking this box I certify that, if approved, the property to be covered by this exemption will be on the Commercial Rehabilitation Exemption specific tax roll and not on any other specific tax roll.

Name of Local Government Body

Name of Assessor (first and last name)	Telephone Number
Fax Number	E-mail Address

I certify that, to the best of my knowledge, the information contained in Part 4 of this application is complete and accurate.

Assessor's Signature	Date
----------------------	------

PART 5: LOCAL GOVERNMENT ACTION (clerk of LGU must complete Part 5)

Action Taken By LGU (attach a certified copy of the resolution):

- Exemption approved for _____ years, ending December 30, _____ (not to exceed 10 years)
 Exemption Denied

Date District Established (attach resolution for district)	Local Unit Classification Identification (LUCI) Code	School Code
--	--	-------------

PART 6: LOCAL GOVERNMENT CLERK CERTIFICATION (clerk of LGU must complete Part 6)

Clerk's Name (first and last)	Telephone Number	
Fax Number	E-mail Address	
Mailing Address	City	State ZIP Code
LGU Contact Person for Additional Information	LGU Contact Person Telephone Number	Fax Number
<i>I certify that, to the best of my knowledge, the information contained in this application and attachments is complete and accurate and hereby request the State Tax Commission issue a Commercial Rehabilitation Exemption Certificate, as provided by Public Act 210 of 2005, as amended.</i>		
Clerk's Signature	Date	

The clerk must retain the original application at the local unit and mail one copy of the completed application with attachments to:

State Tax Commission
P.O. Box 30471
Lansing, MI 48909

Instructions for Completing Form 4507

Application for Commercial Rehabilitation Exemption Certificate

The Commercial Rehabilitation Exemption Certificate was created by Public Act 210 of 2005, as amended. The application is initially filed, reviewed, and approved by the LGU and then reviewed and approved by the State Tax Commission. According to Section 3 of Public Act 210 of 2005, as amended, the LGU must establish a Commercial Rehabilitation District. Rehabilitation may commence after establishment of the Commercial Rehabilitation District.

Owner / Applicant Instructions

1. Complete Parts 1, 2 and 3 of application
2. Prepare and attach all documents required under Part 2 of the application:
 - a. General description of the facility (year built, original use, most recent use, number of stories, square footage)
 - b. Description of the qualified facility's proposed use
 - c. Description of the general nature and extent of the rehabilitation to be undertaken
 - d. Descriptive list of the fixed building equipment that will be a part of the qualified facility
 - e. Time schedule for undertaking and completing the facility's rehabilitation
 - f. Statement of the economic advantages expected from the exemption
 - g. Legal description of the facility
 - h. Description of the "underserved area" (Qualified Retail Food Establishments only)
3. Qualified Retail Food Establishments:
 - a. Complete Part 1 of the *Commercial Rehabilitation Exemption Certification for Qualified Retail Food Establishments* (Form 4753). Submit to LGU clerk along with application.
 - b. Describe the "underserved area" and provide supporting documentation to show how the project area meets one or more of the following requirements:
 - i. An area that contains a low to moderate income census tract(s) which, based on per capita income, are tracts below the 66.67 percentile (\$23,643 in 1999 dollars) and a below average supermarket density
 - ii. An area that has a supermarket customer base with more than 50% living in a low income census tract(s) which based on the per capita income, are tracts below the 66.67 percentile (\$23,643 in 1999 dollars)
 - iii. An area that has demonstrated significant access limitations due to travel distance and has no Qualified Retail Food Establishments within two miles of the geo-center for an urban area or has no Qualified Retail Food Establishments within nine miles of the geo-center for a rural area.

For assistance in determining the project area's eligibility, visit www.michigan.gov/propertytaxexemptions and click on Commercial Rehabilitation Act.

4. Submit the application and all attachments to the clerk of the LGU where the property is located.

LGU Assessor Instructions

Complete and sign Part 4 of the application.

LGU Clerk Instructions

1. After LGU action, complete Part 5 of the application.
2. After reviewing the application for complete and accurate information, complete Part 6 and sign the application to certify the application meets the requirements as outlined by Public Act 210 of 2005, as amended.
3. Assemble the following for a complete application:
 - a. Completed *Application for Commercial Rehabilitation Exemption Certificate* (Form 4507)
 - b. All required attachments listed under Part 2
 - c. A copy of the resolution by the LGU establishing the district
 - d. A certified copy of the resolution by the LGU approving the application
 - e. Complete Form 4753 (Qualified Retail Food Establishments only)
4. Submit the completed application to: State Tax Commission, P.O. Box 30471, Lansing, MI 48909

Application Deadline

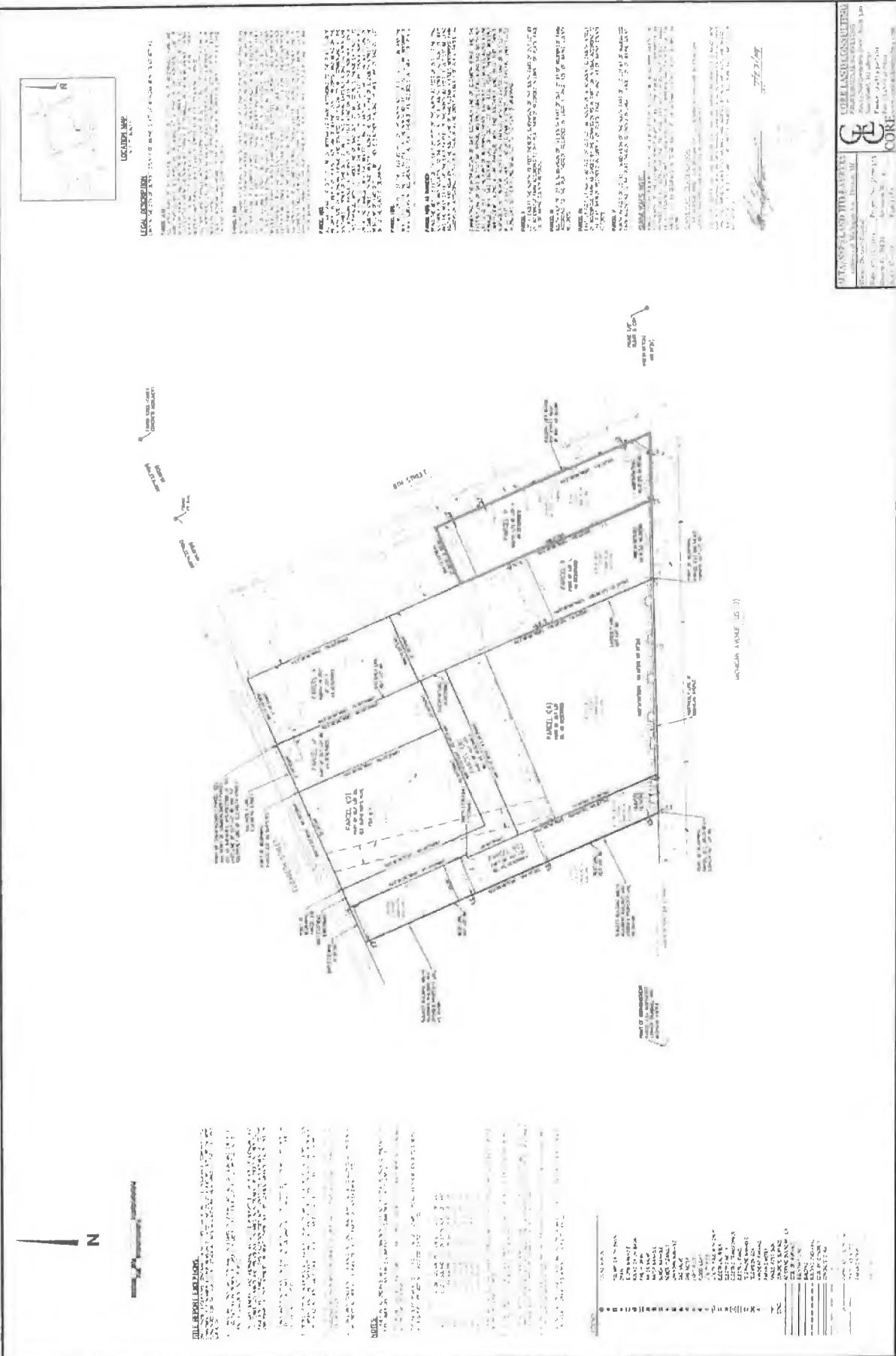
The State Tax Commission must receive complete applications on or before October 31 to ensure processing and certificate issuance for the following tax year. Applications received after October 31 may not be processed in time for certificate issuance for the following tax year.

For guaranteed receipt by the State Tax Commission, send applications and attachments via certified mail.

If you have questions or need additional information or sample documents, visit www.michigan.gov/propertytaxexemptions or call 517-335-7491

Attachment A1
Site Map depicting the Subject Property

[attached]



**Attachment A2
Legal Description of Subject Property**

LAND IN THE CITY OF DETROIT, COUNTY OF WAYNE, STATE OF MICHIGAN BEING DESCRIBED AS:

SOUTH HALF OF LOT 2, SUBDIVISION OF THE SOUTH PART OF OUT LOT 87 OF WOODBRIDGE FARM
ACCORDING TO TIC PLAT THEREOF RECORDED IN LIBER 1, PAGE 105 OF WAYNE COUNTY RECORDS.

ALSO DESCRIBED FOR TAX PURPOSES AS:
N MICHIGAN S 1/2 2 SUB OF PT WOODBRIDGE FARM LI P105 PLATS, W C R 6/20 34.70 IRREG

Attachment B
Current Tax Information and Evidence of Payment

[attached – covers Subject Property and adjacent project parcels]

1400 MICHIGAN AVE 48216 (Property Address)
Parcel Number: 06000410.



Property Owner: MIFSUD, JOSEPH
Summary Information
 > Commercial/Industrial Building Summary
 Yr Built: 1914 # of Buildings: 1
 Total SqFt: 6,361
 > Assessed Value: \$135,300 | Taxable Value: \$20,358
 > Property Tax Information found

Image 1 of 3 1 Image / 2 Sketches

Owner and Taxpayer Information

Owner:	MIFSUD, JOSEPH 33718 GRAND RIVER FARMINGTON, MI 48335	Taxpayer:	J & B DEVELOPMENT CO, LLC P. O. BOX 707 FARMINGTON, MI 48332
--------	---	-----------	--

Amount Due

Current Taxes: \$2,058.51
[Pay Now](#)

Legal Description

N MICHIGAN S 1/2 2 SUB OF PT WOODBRIDGE FARM L1 P105 PLATS, W/C R 0/20 34 /0 IRREG

Recalculate amounts using a different Payment Date

You can change your anticipated payment date in order to recalculate amounts due as of the specified date for this property

Enter a Payment Date

[Recalculate](#)

Tax History

Year	Division	Total Amount	Total Paid	Last Paid	Total Due	Pay Now
2019	Summer	\$2,058.51	\$0.00		\$2,058.51	Pay Now

Installment Information for 2019 Summer

	Amount
First Payment	\$1,029.26
Second Payment	\$1,029.25

General Information for 2019 Summer Taxes

School District	82010	PRE/MBT	0.0000%
Taxable Value	\$20,358	S.E.V.	\$135,300
Property Class	201 - 201-COMMERCIAL	Assessed Value	\$135,300
Tax Bill Number	016832	Last Receipt Number	No Data In Display
Last Payment Date	No Data to Display	Number of Payments	0
Base Tax	\$2,042.59	Base Paid	\$0.00
Admin Fees	\$15.92	Admin Fees Paid	\$0.00
Interest Fees	\$0.00	Interest Fees Paid	\$0.00
Total Tax & Fees	\$2,058.51	Total Paid	\$0.00
Renaissance Zone	Not Available	Mortgage Code	Not Available

Tax Bill Breakdown for 2019 Summer

Taxing Authority	Millage Rate	Amount	Amount Paid
STATE EDUCATION	6.000000	\$122.14	\$0.00
GENERAL CITY	19.952000	\$406.18	\$0.00
	78.231000	\$2,058.51	\$0.00

ORIGIND MFGA (248) 540-4102
TAMME ARNOTT
FIRST AMERICAN TITLE COMPANY
400 WATER STREET
STE 100
ROCHESTER, MI 48307
UNITED STATES US

SHIP DATE 08AUG19
ACT WGT: 1.00 LB
CAD: 101854216NET4160
BILL SENDER

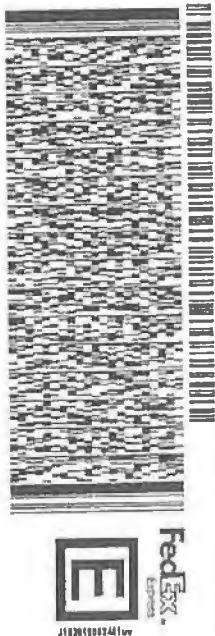
To OFFICE OF THE TREASURY

CITY OF DETROIT
PROPERTY TAX BRANCH
2 WOODWARD AVENUE, STE 1210
DETROIT MI 48226

(313) 224-3560
FAX 313-224-3560
PO

REF: 00121
DEPT: FATO

567.J/09E7.05A2



TUE - 06 AUG 10:30A

PRIORITY OVERNIGHT

0201

7889 2631 1019

48226

MI-US

DTW

66 DTWA



After printing this label:

1. Use the 'Print' button on this page to print your label to your laser or inkjet printer.
2. Fold the printed page along the horizontal line.
3. Place label in shipping pouch and affix it to your shipment so that the barcode portion of the label can be read and scanned.

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First American Title Insurance Company

300 East Long Lake Road, Suite 300, Bloomfield Hills, Michigan 48304 Phone: (248)540-4102 Fax: (866)550-1079
mi.bloomfield@firstam.com

August 05, 2019

City of Detroit-Property Tax
2 Woodward Ave., Suite 1210
Detroit, MI 48226

RE: Our File No.: 842759
Property: 1421 W Elizabeth
Detroit, MI 48216
Tax ID#: 000477-9/Ward 06

To Whom It May Concern:

Enclosed herewith find our check no. 3121339542 in the amount of \$206.26 for payment of the 2019 Summer taxes on the above captioned property. No statement was available.

Please return the receipt in the enclosed self-addressed envelope.

Sincerely,

First American Title Insurance Company

Contact: Tammie Arnott
Commercial Closing Department
Phone: 248-540-4102
Email Address: tarnott@firstam.com

First American Title Insurance Company, Bloomfield Hills
PR. METROfc.2014(3121) (DSWAV)

CHECK NO. 3121339542

DATE: 8/1/2019

FILE NO. 642759

SETTLEMENT DATE: 7/31/2019

CHECK AMOUNT: \$206.26

BUYER: 1400 Michigan Ave LLC

Property Address: 1400, 1410 and 1416 Michigan Avenue, 1411 and 1421 W Elizabeth Street, Detroit, MI 48216
Lot: 1

SELLER: J&B Development Company, L.L.C., et al

Property Taxes Due

Re: 06000477-9

Charge Details:
2019 Summer Taxes - 06000477-9:

206.26

Thank you for doing business with First American Title Insurance Company

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First American Title Insurance Company
300 East Long Lake Road, Suite 300
Bloomfield Hills, MI 48304
(248) 540-4102

PR. METRO:

Off. 2014(3121)

FILE NO. 642759

Re: 06000477-9

First American Trust, FSB

5 First American Way
Santa Ana CA 92707

3121339542

90-41261222

Date 8/1/2019

PAY

Two hundred six and 26/100

DOLLAR\$*****206.26

Escrow Trust Bank Account
Void After 180 Days

TO THE
ORDER
OF

City of Detroit-Property Tax
2 Woodward Ave., Suite 1210
Detroit, MI 48226

MAG Cash

THE FACE OF THIS DOCUMENT INCLUDES A HIDDEN WORD - DO NOT CASH IF THE WORD VOID IS VISIBLE

11 3 1 2 1 3 3 9 5 4 2 11 1 2 2 4 1 2 5 5 1 3 0 3 1 2 1 0 0 0 0 11

1421 W ELIZABETH 48216 (Property Address)

Parcel Number: 06000477-8



Item 1 of 3

1 Image / 0 Sketches

Property Owner: MIFSUD, JOSEPH

Summary Information

> Assessed Value \$28,200 | Taxable Value \$2,651

> Property Tax Information found

Owner and Taxpayer Information

Owner

MIFSUD, JOSEPH
33718 GRAND RIVER
FARMINGTON, MI 48335

Taxpayer

J & B DEVELOPMENT LLC
P. O. BOX 707
FARMINGTON, MI 48332

Amount Due

Current Taxes: \$206.26
Pay Now

Legal Description

S W ELIZABETH E 27 FT OF N 80 FT OF OL 86 LYG S & ADJ ELIZABETH ST WOODBRIDGE FARM L1 P146-7 PLATS, W C R 6/12 27 X 80

Recalculate amounts using a different Payment Date

You can change your anticipated payment date in order to recalculate amounts due as of the specified date for this property.

Enter a Payment Date 7/16/2019

Recalculate

Tax History

Year	Season	Total Amount	Total Paid	Last Paid	Total Due
2019	Summer	\$206.26	\$0.00		\$206.26 Pay Now

Installment Information for 2019 Summer

	Amount
First Payment	\$103.13
Second Payment	\$103.13

General Information for 2019 Summer Taxes

School District	82010	PRE/MBY	0.0000%
Taxable Value	\$2,651	S.I.V.	\$28,200
Property Class	202 - 202-COMMERCIAL VACANT	Assessed Value	\$28,200
Tax Bill Number	016857	Last Receipt Number	No Data to Display
Last Payment Date	No Data to Display	Number of Payments	0
Base Tax	\$206.26	Base Paid	\$0.00
Admin Fees	\$2.04	Admin Fee Paid	\$0.00
Interest Fees	\$0.00	Interest Fee Paid	\$0.00
Total Tax & Fees	\$206.26	Total Paid	\$0.00

Rensselaer Zone Not Available Mortgage Code Not Available

Tax Bill Breakdown for 2019 Summer

Taxing Authority	Mileage Rate	Amount	Amount Paid
STATE EDUCATION	6.000000	\$15.66	\$0.00
GENERAL CITY	19.852000	\$52.09	\$0.00
	78.231000	\$206.26	\$0.00

7/16/2019

Taxing Authority	Mileage Rate	Amount	Amount Paid
DEBT SERVICE	9.000000	\$23.43	\$0.00
LIBRARY	4.630700	\$12.09	\$0.00
SCHOOL DEBT	13.000000	\$33.94	\$0.00
SCHOOL OPERATING	18.000000	\$46.99	\$0.00
W COUNTY TAX	5.648300	\$14.74	\$0.00
WC RESA ENH	2.000000	\$5.22	\$0.00
Admin Fees		\$2.04	\$0.00
Interest Fees		\$0.00	\$0.00
	78.381000	\$208.25	\$0.00

[Click here for a printer friendly version of Summer 2018 Tax Information](#)

2018	Winter	\$24.14	\$24.14	01/14/2019	\$0.00
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General Information for 2018 Winter Taxes

School District	92010	PRE/MET	0.0000%
Taxable Value	\$2,530		
Property Class	202 - 302-COMMERCIAL VACANT	Assessed Value	\$3,200
Tax Bill Number	No Data to Display	Last Receipt Number	00102158
Last Payment Date	01/14/2019	Number of Payments	1
Base Tax	\$23.91	Base Paid	\$23.91
Admin Fees	\$0.23	Admin Fees Paid	\$0.23
Interest Fees	\$0.00	Interest Fees Paid	\$0.00
Total Tax & Fees	\$24.14	Total Paid	\$24.14

Tax Bill Breakdown for 2018 Winter

Taxing Authority	Mileage Rate	Amount	Amount Paid
WAYNE COUNTY	0.989700	\$2.52	\$2.52
W CAILS	0.978100	\$2.39	\$2.39
W C PARKS	0.245900	\$0.62	\$0.62
W C HCMCA	0.212900	\$0.54	\$0.54
W C RESA	0.096500	\$0.24	\$0.24
W C RESA SP ED	3.367800	\$8.59	\$8.59
W C COMM COLLEGE	3.240800	\$8.26	\$8.26
W C ZOO	0.100000	\$0.25	\$0.25
W C DIA	0.200000	\$0.51	\$0.51
Admin Fees		\$0.23	\$0.23
Interest Fees		\$0.00	\$0.00
	9.981700	\$24.14	\$24.14

[Click here for a printer friendly version of Winter 2018 Tax Information](#)

2018	Summer	\$196.31	\$196.31	08/30/2018	\$0.00
2017	Winter	\$23.65	\$23.65	01/08/2018	\$0.00

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First American Title Insurance Company

300 East Long Lake Road, Suite 300, Bloomfield Hills, Michigan 48304 Phone: (248)540-4102 Fax: (866)550-1079
mi.bloomfield@firstam.com

August 05, 2019

City of Detroit-Property Tax
2 Woodward Ave., Suite 1210
Detroit, MI 48226

RE: Our File No.: 842759
Property: 1411 W Elizabeth
Detroit, MI 48216
Tax ID#: 000476/Ward 06

To Whom It May Concern:

Enclosed herewith find our check no. 3121339541 in the amount of \$349.83 for payment of the 2019 Summer taxes on the above captioned property. No statement was available.

Please return the receipt in the enclosed self-addressed envelope.

Sincerely,

First American Title Insurance Company

Contact: Tammie Arnott
Commercial Closing Department
Phone: 248-540-4102
Email Address: tarnott@firstam.com

First American Title Insurance Company, Bloomfield Hills
PR. METRO Ofc. 2014(3121) (DSW/AV)

CHECK NO. 3121339541

DATE: 8/1/2019

FILE NO. 842759

SETTLEMENT DATE: 7/31/2019

CHECK AMOUNT: \$349.83

BUYER: 1400 Michigan Ave LLC

SELLER: J&B Development Company, L.L.C., et al

Property Address: 1400, 1410 and 1416 Michigan Avenue, 1411 and 1421 W Elizabeth Street, Detroit, MI 48216
Lot: 1

Property Taxes Due

Re: 06000476

Charge Details:
2019 Summer Taxes - 06000476: 349.83

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First American Title Insurance Company
300 East Long Lake Road, Suite 300
Bloomfield Hills, MI 48304
(248)540-4192

PR. METRO

Ofc. 2014(3121)

FILE NO. 842759

Re: 06000476

First American Trust, FSB

5 First American Way

Santa Ana CA 92701

3121339541

30-41261022

Date 8/1/2019

PAY Three hundred forty-nine and 83/100

DOLLARS\$*****349.83

Escrow Trust Bank Account
Void After 180 Days

TO THE City of Detroit-Property Tax
ORDER 2 Woodward Ave., Suite 1210
OF Detroit, MI 48226

MIC Crnd

THE FACE OF THIS DOCUMENT INCLUDES A HIDDEN WORD - DO NOT CASH IF THE WORD VOID IS VISIBLE.

3121339541 1122412551 3031210000

1411 W ELIZABETH 48216 (Property Address)

Parcel Number: 06000476.



Item 1 of 1 1 Image / 0 Sketches

Property Owner: MIIFSUD, JOSEPH

Summary Information

> Assessed Value: \$37,400 | Taxable Value: \$4,428

> Property Tax Information found

Owner and Taxpayer Information

Owner	MIIFSUD, JOSEPH 33718 GRAND RIVER FARMINGTON, MI 48335	Taxpayer	J & B DEVELOPMENT CO, LLC P. O. BOX 707 FARMINGTON, MI 48332
-------	--	----------	--

Amount Due

Current Taxes:	\$349.83
Pay Now	

Legal Description

S ELIZABETH N 79 FT 1 SUB OF PT WOODBRIDGE FARM L1 P105 PLATS, W.C.R. 6/20 37.29 X 79

Recalculate amounts using a different Payment Date

You can change your anticipated payment date in order to recalculate amounts due as of the specified date for this property.

Enter a Payment Date [Recalculate](#)

Tax History

Year	Season	Total Amount	Total Paid	Last Paid	Total Due
2019	Summer	\$349.83	\$0.00		\$349.83 Pay Now

Installment Information for 2019 Summer

	Amount
First Payment	\$174.92
Second Payment	\$174.91

General Information for 2019 Summer Taxes

School District	82010	PRE/MFT	0.0000%
Taxable Value	\$4,428	S.E.V.	\$37,400
Property Class	203 - 203-COMMERCIAL VACANT	Assessed Value	\$37,400

Tax Bill Number	014436	Last Receipt Number	No Data to Display
Last Payment Date	No Data to Display	Number of Payments	0
Base Tax	\$346.37	Base Paid	\$0.00
Admin Fees	\$3.46	Admin Fees Paid	\$0.00
Interest Fees	\$0.00	Interest Fees Paid	\$0.00
Total Tax & Fees	\$349.83	Total Paid	\$0.00

Renaissance Zone	Not Available	Mortgage Code	Not Available
------------------	---------------	---------------	---------------

Tax Bill Breakdown for 2019 Summer

Taxing Authority	Mileage Rate	Amount	Amount Paid
STATE EDUCATION	6.000000	\$25.56	\$0.00
GENERAL CITY	19.952000	\$98.34	\$0.00
	78.231000	\$149.83	\$0.00

Taxing Authority	Mileage Rate	Amount	Amount Paid
DEBT SERVICE	9.000000	\$39.85	\$0.00
LIBRARY	4.630700	\$20.50	\$0.00
SCHOOL DEBT	13.000000	\$57.56	\$0.00
SCHOOL OPERATING	18.000000	\$79.70	\$0.00
W COUNTY TAX	5.648300	\$25.01	\$0.00
WC RESA ENH	2.000000	\$8.85	\$0.00
Admin Fees		\$2.45	\$0.00
Interest Fees		\$0.00	\$0.00
	78.231000	\$249.81	\$0.00

[Click here for a printer friendly version of Summer 2019 Tax Information](#)

2018	Winter	\$40.98	\$40.98	01/14/2019	\$0.00
------	--------	---------	---------	------------	--------

General Information for 2018 Winter Taxes

School District	82010	PRE/MET	0.0000%
Taxable Value	\$4,325		
Property Class	201 -	Assessed Value	\$4,600
Tax Bill Number	No Data to Display	Last Receipt Number	00102157
Last Payment Date	01/14/2019	Number of Payments	1
Base Tax	\$40.58	Base Paid	\$40.58
Admin Fees	\$0.40	Admin Fees Paid	\$0.40
Interest Fees	\$0.00	Interest Fees Paid	\$0.00
Total Tax & Fees	\$40.98	Total Paid	\$40.98

Tax Bill Breakdown for 2018 Winter

Taxing Authority	Mileage Rate	Amount	Amount Paid
WAYNE COUNTY	0.989700	\$4.28	\$4.28
W C JAILS	0.938100	\$4.05	\$4.05
W C PARKS	0.245900	\$1.06	\$1.06
W C HCMA	0.212900	\$0.92	\$0.92
W C RESA	0.064500	\$0.41	\$0.41
W C RESA SP ED	1.367800	\$14.56	\$14.56
W C COMM COLLEGE	3.240800	\$14.01	\$14.01
W C ZOO	0.100000	\$0.43	\$0.43
W C DIA	0.200000	\$0.86	\$0.86
Admin Fees		\$0.40	\$0.40
Interest Fees		\$0.00	\$0.00
	9.191700	\$40.98	\$40.98

[Click here for a printer friendly version of Winter 2019 Tax Information](#)

2018	Summer	\$332.96	\$332.96	08/30/2018	\$0.00
2017	Winter	\$40.14	\$40.14	01/08/2018	\$0.00

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First American Title Insurance Company

300 East Long Lake Road, Suite 300, Bloomfield Hills, Michigan 48304 Phone: (248)540-4102 Fax: (866)550-1079
mi.bloomfield@firstam.com

August 05, 2019

City of Detroit-Property Tax
2 Woodward Ave., Suite 1210
Detroit, MI 48226

RE: Our File No.: 842759
Property: 1400 Michigan Avenue
Detroit, MI 48216
Tax ID#: 000410/Ward 06

To Whom It May Concern:

Enclosed herewith find our check no. 3121339540 in the amount of \$2,058.51 for payment of the 2019 Summer taxes on the above captioned property. No statement was available.

Please return the receipt in the enclosed self-addressed envelope.

Sincerely,

First American Title Insurance Company

Contact: Tammy Arnott
Commercial Closing Department
Phone: 248-540-4102
Email Address: tarnott@firstam.com

First American Title Insurance Company, Bloomfield Hills
PR. METROfc.2014(3121) (DSW/AV)

CHECK NO. 3121339540

DATE: 8/1/2019

FILE NO. 842759

SETTLEMENT DATE: 7/31/2019

CHECK AMOUNT: \$2,058.51

BUYER: 1400 Michigan Ave LLC

SELLER: J&B Development Company, L.L.C., et al

Property Address: 1400, 1410 and 1416 Michigan Avenue, 1411 and 1421 W Elizabeth Street, Detroit, MI 48216
Lot: 1

Property Taxes Due

Re: 06000410

Charge Details:

2019 Summer Taxes - 06000410: 1058.51

Thank you for doing business with First American Title Insurance Company

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First American Title Insurance Company
300 East Long Lake Road, Suite 300
Bloomfield Hills, MI 48304
(248) 540-4102

PR. METRO

06, 2014(3121)

FILE NO. 842759

Re: 06000410

First American Trust, FSB
5 First American Way,
Santa Ana CA 92707

3121339540

8041251222

Date 8/1/2019

PAY: Two thousand, fifty-eight and 51/100

DOLLAR\$*****2,058.51

Escrow Trust Bank Account
Void After 180 Days

M. Gluck

TO THE
ORDER
OF
City of Detroit-Property Tax
2 Woodward Ave., Suite 1210
Detroit, MI 48226

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3121339540 0122412551 3031210000

1400 MICHIGAN AVE 48215 (Property Address)

Parcel Number: 06000410.



Item 1 of 3 1 Image / 2 Sketches

Property Owner: MIFSUD, JOSEPH**Summary Information**

- > Commercial/Industrial Building Summary
 - Yr Built: 1914
 - # of Buildings: 3
 - Total Sq Ft: 6,364

> Assessed Value: \$135,300 | Taxable Value: \$20,358

- > Property Tax Information found

Owner and Taxpayer Information

Owner	MIFSUD, JOSEPH 33738 GRAND RIVER FARMINGTON, MI 48336	Taxpayer	J & S DEVELOPMENT CO, LLC P. O. BOX 707 FARMINGTON, MI 48336
--------------	---	-----------------	--

Amount Due

Current Taxes:	\$2,038.51
Pay Now:	

Legal Description

N MICHIGAN S 1/2 2 SUB OF PT WOODBRIDGE FARM LL P1Q5 PLATS, W C R 6/20 34.70 IRREG

Recalculate amounts using a different Payment Date

You can change your anticipated payment date in order to recalculate amounts due as of the specified date for this property.

Enter a Payment Date **TAX HISTORY**

Year	Season	Total Amount	Total Paid	Last Paid	Total Due
2019	Summer	\$2,058.51	\$0.00		\$2,058.51 Pay Now

Installment Information for 2019 Summer

	Amount
First Payment	\$1,029.26
Second Payment	\$1,029.25

General Information for 2019 Summer Taxes

School District	82010	PRE/MET	0.0000%
Taxable Value	\$20,358	S.E.V.	\$135,300
Property Class	201 ~ 201-COMMERCIAL	Assessed Value	\$135,300

Tax Bill Number	016832	Last Receipt Number	No Data to Display
Last Payment Date	No Data to Display	Number of Payments	0
Base Tax	\$2,042.59	Base Paid	\$0.00
Admin Fees	\$15.92	Admin Fees Paid	\$0.00
Interest Fees	\$0.00	Interest Fees Paid	\$0.00
Total Tax & Fees	\$2,058.51	Total Paid	\$0.00

Renewal/Issue Zone	Not Available	Mortgage Code	Not Available
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Tax Bill Breakdown for 2019 Summer

Filing Authority	Millage Rate	Amount	Amount Paid
STATE EDUCATION	6.000000	\$122.14	\$0.00
GENERAL CITY	19.952000	\$406.18	\$0.00
	78.231000	\$2,038.51	\$0.00

7/16/2019

Taxing Authority	Millage Rate	Amount	Amount Paid
DEBT SERVICE	3.000000	\$183.22	\$0.00
LIBRARY	4.430700	\$94.27	\$0.00
SCHOOL DEBT	13.000000	\$264.65	\$0.00
SCHOOL OPERATING	18.000000	\$366.44	\$0.00
W COUNTY TAX	5.648300	\$114.98	\$0.00
WC RESA ENH	2.000000	\$40.71	\$0.00
DPW BILLED AMT	0.000000	\$450.00	\$0.00
Admin Fees		\$15.92	\$0.00
Interest Fees		\$0.00	\$0.00
	78.231000	\$2,058.51	\$0.00

[Click here for a printer friendly version of Summer 2019 Tax Information](#)

2018	Winter	\$184.53	\$184.53	01/14/2019	\$0.00
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General Information for 2018 Winter Taxes

School District	02010	PREM/TOT	0.0000%
Taxable Value	\$19,881		
Property Class	201 - 201-COMMERCIAL	Assessed Value	\$21,000
Tax Bill Number	No Data to Display	Last Receipt Number	00102153
Last Payment Date	01/14/2019	Number of Payments	1
Base Tax	\$186.67	Base Paid	\$186.67
Admin Fees	\$1.86	Admin Fees Paid	\$1.86
Interest Fees	\$0.00	Interest Fees Paid	\$0.00
Total Tax & Fees	\$188.53	Total Paid	\$188.53

Tax Bill Breakdown for 2018 Winter

Taxing Authority	Millage Rate	Amount	Amount Paid
WAYNE COUNTY	0.989700	\$19.67	\$19.67
W C JAILS	0.938100	\$18.65	\$18.65
W C PARKS	0.245900	\$4.88	\$4.88
W C HCMA	0.212900	\$4.23	\$4.23
W C RESA	0.096500	\$1.91	\$1.91
W C RESA SP ED	3.367800	\$66.95	\$66.95
W C COMM COLLEGE	3.240800	\$64.43	\$64.43
W C ZOO	0.100000	\$1.98	\$1.98
W C DIA	0.200000	\$3.97	\$3.97
Admin Fees		\$1.86	\$1.86
Interest Fees		\$0.00	\$0.00
	9.881700	\$188.53	\$188.53

[Click here for a winter friendly version of Winter 2018 Tax Information](#)

2018	Summer	\$1,980.66	\$1,980.66	08/30/2018	\$0.00
2017	Winter	\$184.67	\$184.67	01/08/2018	\$0.00

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First American Title Insurance Company

300 East Long Lake Road, Suite 300, Bloomfield Hills, Michigan 48304 Phone: (248)540-4102 Fax: (866)550-1079
mi.bloomfield@firstam.com

August 05, 2019

City of Detroit-Property Tax
2 Woodward Ave., Suite 1210
Detroit, MI 48226

RE: Our File No.: 842759
Property: 1410 Michigan Avenue
Detroit, MI 48216
Tax ID#: 000408-9/Ward 06

To Whom It May Concern:

Enclosed herewith find our check no. 3121339539 in the amount of \$1,333.43 for payment of the 2019 Summer taxes on the above captioned property. No statement was available.

Please return the receipt in the enclosed self-addressed envelope.

Sincerely,

First American Title Insurance Company

Contact: Tammie Arnott
Commercial Closing Department
Phone: 248-540-4102
Email Address: tarnott@firstam.com

First American Title Insurance Company, Bloomfield Hills
PR. METROfc.2014(3121) (DSW/AV)

CHECK NO. 3121339539

DATE: 8/1/2019

FILE NO. 842759

SETTLEMENT DATE: 7/31/2019

CHECK AMOUNT: \$1,333.43

BUYER: 1400 Michigan Ave LLC

Property Address: 1400, 1410 and 1416 Michigan Avenue, 1411 and 1421 W Elizabeth Street, Detroit, MI 48216
Lot: 1

SELLER: J&B Development Company, L.L.C., et al

Property Taxes Due

Re: 06000408-9

Charge Details:
2019 Summer Taxes - 06000408-9: 1333.43

Thank you for doing business with First American Title Insurance Company

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First American Title Insurance Company
100 East Long Lake Road, Suite 300
Bloomfield Hills, MI 48304
(248) 540-4102

PR. METRO

fc. 2014(3121)

FILE NO. 842759

Re: 06000408-9

First American Trust, FSB

5 First American Way

Santa Ana CA 92707

3121339539

842751222

Date 8/1/2019

PAY

One thousand, three hundred thirty-three and 43/100

DOLLARSS*****1,333.43

Escrow Trust Bank Account
Void After 180 Days

TO THE
ORDER
OF

City of Detroit-Property Tax
2 Woodward Ave., Suite 1210
Detroit, MI 48226

MICredit

THE FACE OF THIS DOCUMENT INCLUDES A HIDDEN WORD - DO NOT CASH IF THE WORD VOID IS VISIBLE

1103121339539** 112224125511 303121000011

1410 MICHIGAN AVE 48216 (Property Address)

Parcel Number: 06000408-9



Item 1 of 2

1 Image / 1 Sketch

Property Owner: J & B DEVELOPMENT CO, LLC

Summary Information

> Commercial/Industrial Building Summary > Assessed Value: \$79,200 | Taxable Value: \$15,611

- > Yr Built: 1923 # of Buildings: 2
- > Total Sq.Ft.: 5,184

> Property Tax Information found

Owner and Taxpayer Information

Owner

J & B DEVELOPMENT CO, LLC Taxpayer
P.O BOX 707
FARMINGTON HILLS, MI 48335

SEE OWNER INFORMATION

Amount Due

Current Taxes: \$1,333.43
Pay Now

Legal Description

N MICHIGAN 1 EXC N 79 FT SUB OF PT WOODBRIDGE FARM L1 P105 PLATS, W C R 6/20 4031 IRREG

Recalculate amounts using a different Payment Date

You can change your anticipated payment date in order to recalculate amounts due as of the specified date for this property.

Enter a Payment Date

Recalculate

Tax History

Year	Season	Total Amount	Total Paid	Last Paid	Total Due
2019	Summer	\$1,333.43	\$0.00		\$1,333.43

Installment Information for 2019 Summer

	Amount
First Payment	\$666.72
Second Payment	\$666.71

General Information for 2019 Summer Taxes

School District	02010	PRE/MHT	0.0000%
Taxable Value	\$15,611	S.E.V.	\$79,200
Property Class	205 - 201 COMMERCIAL	Assessed Value	\$79,200
Bill ID Number	016831	Last Receipt Number	No Date to Display
Last Payment Date	No Date to Display	Number of Payments	0
Base Tax	\$1,333.43	Base Paid	\$0.00
Admin Fees	\$12.21	Admin Fees Paid	\$0.00
Interest Fees	\$0.00	Interest Fees Paid	\$0.00
Total Tax & Fees	\$1,333.43	Total Paid	\$0.00

Renewal Zone	Not Available	Mortgage Code	Not Available
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Tax Bill Breakdown for 2019 Summer

Taxing Authority	Milage Rate	Amount	Amount Paid
STATE EDUCATION	6.000000	\$93.66	\$0.00
GENERAL CITY	19.952000	\$311.47	\$0.00
	78.231000	\$1,333.43	\$0.00

7/16/2019

Taxing Authority	Millage Rate	Amount	Amount Paid
DEBT SERVICE	9.000000	\$140.49	\$0.00
LIBRARY	4.630700	\$72.28	\$0.00
SCHOOL DEBT	13.000000	\$202.94	\$0.00
SCHOOL OPERATING	18.000000	\$280.29	\$0.00
W COUNTY TAX	5.648300	\$88.17	\$0.00
WC RESA ENH	2.000000	\$31.22	\$0.00
INSPECTION FEE	0.000000	\$100.00	\$0.00
Admin Fees		\$12.21	\$0.00
Interest Fees		\$0.00	\$0.00
	78.231060	\$1,888.43	\$0.00

[Click here for a printer friendly version of Summer 2019 Tax Information](#)

2018	Winter	\$144.56	\$144.56	01/17/2019	\$0.00
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General Information for 2018 Winter Taxes

School District	B2010	PRE/MET	0.0000%
Taxable Value	\$13,246		
Property Class	201 - 201-COMMERCIAL	Assessed Value	\$16,100
Tax Bill Number	No Data to Display	Last Receipt Number	00118182
Last Payment Date	01/17/2019	Number of Payments	1
Base Tax	\$142.13	Base Paid	\$142.13
Admin Fees	\$1.43	Admin Fee Paid	\$1.43
Interest Fees	\$0.00	Interest Fee Paid	\$0.00
Total Tax & Fees	\$144.56	Total Paid	\$144.56

Tax Bill Breakdown for 2018 Winter

Taxing Authority	Millage Rate	Amount	Amount Paid
WAYNE COUNTY	0.989700	\$15.08	\$15.08
W CAILS	0.938100	\$14.30	\$14.30
W C PARKS	0.245900	\$3.74	\$3.74
W C HCMA	0.212900	\$3.24	\$3.24
W C RESA	0.096500	\$1.47	\$1.47
W C RESA SP ED	1.367800	\$1.34	\$1.34
W C COMM COLLEGE	3.240800	\$49.40	\$49.40
W C ZOO	0.100000	\$1.52	\$1.52
W C DIA	0.200000	\$3.04	\$3.04
Admin Fees		\$1.43	\$1.43
Interest Fees		\$0.00	\$0.00
	9.391700	\$144.56	\$144.56

[Click here for a printer friendly version of Winter 2018 Tax Information](#)

2018	Summer	\$1,273.79	\$1,273.79	08/30/2018	\$0.00
2017	Winter	\$141.62	\$141.62	01/08/2018	\$0.00

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First American Title Insurance Company

300 East Long Lake Road, Suite 300, Bloomfield Hills, Michigan 48304 Phone: (248)540-4102 Fax: (866)550-1079
mi.bloomfield@firstam.com

August 05, 2019

City of Detroit-Property Tax
2 Woodward Ave., Suite 1210
Detroit, MI 48226

RE: Our File No.: 842759
Property: 1416 Michigan Avenue
Detroit, MI 48216
Tax ID#: 000406-7/Ward 06

To Whom It May Concern:

Enclosed herewith find our check no. 3121339538 in the amount of \$8,992.97 for payment of the 2019 Summer taxes on the above captioned property. No statement was available.

Please return the receipt in the enclosed self-addressed envelope.

Sincerely,

First American Title Insurance Company

Contact: Tammie Arnott
Commercial Closing Department
Phone: 248-540-4102
Email Address: tarnott@firstam.com

First American Title Insurance Company, Bloomfield Hills
PR. METRO Ofc. 2014(3121) (DSW/AV)

CHECK NO. 3121339538

DATE: 8/1/2019

FILE NO. 842759

SETTLEMENT DATE: 7/31/2019

CHECK AMOUNT: \$8,992.97

BUYER: 1400 Michigan Ave LLC

Property Address: 1400, 1410 and 1416 Michigan Avenue, 1411 and 1421 W Elizabeth Street, Detroit, MI 48216
Lot: 1

SELLER: J&B Development Company, L.L.C., et al

Property Taxes Due

Re: 06000406-7

Charge Details:
2019 Summer Taxes - 06000406-7: 8992.97

Thank you for doing business with First American Title Insurance Company

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First American Title Insurance Company
300 East Long Lake Road, Suite 300
Bloomfield Hills, MI 48304
(248) 540-4102

PR. METRO

Ofc. 2014(3121)

FILE NO. 842759

Re: 06000406-7

First American Trust, FSB

5 First American Way

Santa Ana CA 92707

3121339538

04125/1222

Date 8/1/2019

PAY Eight thousand, nine hundred ninety-two and 97/100

DOLLAR\$*****8,992.97

Escrow Trust Bank Account
Void After 180 Days

TO THE
ORDER
OF
City of Detroit-Property Tax
2 Woodward Ave., Suite 1210
Detroit, MI 48226

MICread

THE FACE OF THIS DOCUMENT INCLUDES A HIDDEN WORD - DO NOT CASH IF THE WORD VOID IS VISIBLE

11 3 1 2 1 3 3 9 5 3 8 11 1 1 2 2 4 1 2 5 5 1 1 3 0 3 1 2 1 0 0 0 0 11

1416 MICHIGAN AVE 48216 (Property Address)

Parcel Number: 06000406-7



Item 3 of 7 4 Images / 3 Sketches

Property Owner: MIFSUD, JOSEPH

Summary Information

- > Commercial/Industrial Building Summary
 - Yr Built: 1948
 - # of Buildings: 5
 - Total Sq.Ft: 31,317

> Assessed Value: \$311,500 | Taxable Value: \$112,551

> Property Tax Information found

Owner and Taxpayer Information

Owner

MIFSUD, JOSEPH
33718 GRAND RIVER
FARMINGTON, MI 48336

Taxpayer

J & B DEVELOPMENT LLC
P.O. BOX 707
FARMINGTON, MI 48336

Amount Due

Current Taxes: \$8,992.97
Pay Now

Legal Description

N MICHIGAN OL B6 LYN N OF & ADJ MICHIGAN AVE & S OF & ADJ ELIZABETH ST EXC E 27 FT OF N 80 FT BLK B6 WOODBRIDGE FARM L1 P146-7 PLATS, W C R
6/12 120.93 IRREG

Recalculate amounts using a different Payment Date

You can change your anticipated payment date in order to recalculate amounts due as of the specified date for this property.

Enter a Payment Date

Recalculate

Tax History

Year	Season	Total Amount	Total Paid	Last Paid	Total Due
2019	Summer	\$8,992.97	\$0.00		\$8,992.97 Pay Now

Installment Information for 2019 Summer

	Amount
First Payment	\$4,496.48
Second Payment	\$4,496.48

General Information for 2019 Summer Taxes

School District	02030	PRE/MET	0.0000%
Taxable Value	\$112,551	T.L.V.	\$311,500
Property Class	201 - 201-COMMERCIAL	Assessed Value	\$311,500
Tax Bill Number	016430	Last Receipt Number	No Data to Display
Last Payment Date	No Data to Display	Number of Payments	0
Base Tax	\$8,904.93	Base Paid	\$0.00
Admin Fees	\$88.04	Admin Fees Paid	\$0.00
Interest Fees	\$0.00	Interest Fees Paid	\$0.00
Total Tax & Fees	\$8,992.97	Total Paid	\$0.00

Rent/Balance Zone	Not Available	Mortgage Code	Not Available
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Tax Bill Breakdown for 2019 Summer

Taxing Authority	Milage Rate	Amount	Amount Paid
STATE EDUCATION	6.000000	\$675.30	\$0.00
GENERAL CITY	19.952000	\$2,245.61	\$0.00
	70.231000	\$8,992.97	\$0.00

Taxing Authority	Millage Rate	Amount	Amount Paid
DEBT SERVICE	9.000000	\$1,012.95	\$0.00
LIBRARY	4.630700	\$521.18	\$0.00
SCHOOL DEBT	13.000000	\$1,463.16	\$0.00
SCHOOL OPERATING	18.000000	\$2,025.91	\$0.00
W COUNTY TAX	5.648300	\$635.72	\$0.00
WC RESA ENH	2.000000	\$225.10	\$0.00
INSPECTION FEE	0.000000	\$100.00	\$0.00
Admin Fees		\$88.04	\$0.00
Interest Fees		\$0.00	\$0.00
	78.231000	\$8,892.87	\$0.00

[Click here for a printer friendly version of Summer 2019 Tax Information](#)

2018	Winter	\$1,042.56	\$1,042.56	01/14/2019	\$0.00
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General Information for 2018 Winter Taxes

School District	87010	PRE/POST	0.0000%
Taxable Value	\$109,914		
Property Class	201 - 201-COMMERCIAL	Assessed Value	\$188,100
Tax Bill Number	No Data to Display	Last Receipt Number	00102156
Last Payment Date	01/14/2019	Number of Payments	1
Base Tax	\$1,032.24	Base Paid	\$1,032.24
Admin Fees	\$10.32	Admin Fees Paid	\$10.32
Interest Fees	\$0.00	Interest Fees Paid	\$0.00
Total Tax & Fees	\$1,042.56	Total Paid	\$1,042.56

Tax Bill Breakdown for 2018 Winter

Taxing Authority	Millage Rate	Amount	Amount Paid
WAYNE COUNTY	0.989700	\$108.78	\$108.78
W C JAILS	0.930100	\$103.11	\$103.11
W C PARKS	0.245900	\$27.02	\$27.02
W C HCMA	0.212900	\$23.40	\$23.40
W C RESA	0.096500	\$10.60	\$10.60
W C RESA SP ED	3.367800	\$370.16	\$370.16
W C COMM COLLEGE	3.240800	\$356.20	\$356.20
W C ZOO	0.100000	\$10.99	\$10.99
W C DIA	0.200000	\$21.98	\$21.98
Admin fees		\$10.32	\$10.32
Interest fees		\$0.00	\$0.00
	9.381700	\$1,042.56	\$1,042.56

[Click here for a printer friendly version of Winter 2018 Tax Information](#)

2018	Summer	\$8,562.59	\$8,562.59	08/30/2018	\$0.00
2017	Winter	\$1,021.24	\$1,021.24	01/08/2018	\$0.00

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Attachment C
Vesting Deed

[attached – covers Subject Property and adjacent project parcels]

2
19 AUG-2 AM11:43

PA. 327 OF 1902
AFFIDAVIT FILED

Bernard J. Youngblood
Wayne County Register of Deeds
2019232103 L: 55194 P: 22
08/02/2019 11:45 AM WD Total Pages: 5



WARRANTY DEED

Corporate
(Unplatted Land)

Drafted By:
Joseph Mifsud, Member
J&B Development Company, L.L.C.
33718 Grand River
Farmington, MI 48335

Return To:
1400 Michigan Ave LLC
42 Watson, Suite D
Detroit, MI 48226

Send Tax Bills To:
1400 Michigan Ave LLC
42 Watson, Suite D
Detroit, MI 48226

Recording Fee: \$
File Number: 842759BH

State Transfer Tax: \$REVTA Filed
County Transfer Tax: \$REVTA Filed

Tax Parcel No.: 000406-7/Ward 06,
000408-9/Ward 06, 000410/Ward 06,
000476/Ward 06, 000477-9/Ward 06

Know All Persons by These Presents: That **J&B Development Company, L.L.C. a/k/a J and B Development LLC, J and B Development, L.L.C. and J&B Development, LLC, a Michigan limited liability company**

whose address is 33718 Grand River, Farmington, MI 48335

Convey(s) and Warrant(s) to **1400 Michigan Ave LLC, a Michigan limited liability company**
whose address is 42 Watson, Suite D, Detroit, MI 48226

the following described premises situated in the City of **Detroit**, County of **Wayne**, State of Michigan, to wit:

(SEE ATTACHED EXHIBIT A)

More commonly known as: **1400, 1410 and 1416 Michigan Avenue, 1411 and 1421 W Elizabeth Street,**
Detroit, MI 48216

For the full consideration of: **Real Estate Transfer Valuation Affidavit on File**

Subject To:

See Exhibit B Permitted Exceptions



First American Title Insurance Company

(Attached to and becoming a part of Warranty Deed dated: July 31, 2019 between J&B Development Company, L.L.C., a Michigan limited liability company, as Seller(s) and 1400 Michigan Ave LLC, a Michigan limited liability company, as Purchaser(s).)

If the property conveyed is unplatted, the following applies:

The grantor grants to the grantees the right to make all division(s) under section 108 of the land division act, Act No. 288 of the Public Acts of 1967. (If no number is inserted, the right to make divisions stays with the portion of the parent tract retained by the grantor; if all of the parent tract is conveyed, then all division rights are granted.) This property may be located within the vicinity of farmland or a farm operation. Generally accepted agricultural and management practices which may generate noise, dust, odors, and other associated conditions may be used and are protected by the Michigan Right to Farm Act.

Dated this July 31, 2019.

Signature (s):

J&B Development Company, L.L.C. a/k/a J and B Development LLC, J and B Development, L.L.C. and J&B Development, LLC, a Michigan limited liability company

By: 
Name: Joseph Mifsud
Title: Member

State of Michigan
County of Oakland

The foregoing instrument was acknowledged before me this July 31, 2019 by Joseph Mifsud, Member of J&B Development Company, L.L.C. a/k/a J and B Development LLC, J and B Development, L.L.C. and J&B Development, LLC, a Michigan limited liability company.

Angela S Veda
Notary Public:
Notary County/State: /
County Acting In:
Commission Expires:



(Attached to and becoming a part of Warranty Deed dated: July 31, 2019 between J&B Development Company, L.L.C., a Michigan limited liability company, as Seller(s) and 1400 Michigan Ave LLC, a Michigan limited liability company, as Purchaser(s).)

EXHIBIT A

Land situated in the City of Detroit, County of Wayne, State of Michigan, described as follows:

PARCEL 1(a):

Southerly part of the Easterly 93.50 feet of Out Lot 86 of WOODBRIDGE FARM and more particularly described as: BEGINNING at a point in the Northerly line of Michigan Avenue, said point being the Southeast corner of said Out Lot 86, 241.63 feet Easterly from the Northeast corner of Trumbull and Michigan Avenue; thence Northerly along the Easterly line of Out Lot 86, 116 feet to a point; thence Westerly and parallel with Elizabeth Street, 93.58 feet to a point; thence Southerly and parallel with the Easterly line of Out Lot 86, 77.51 feet to a point in the Northerly line of Michigan Avenue; thence Easterly along the Northerly line of Michigan Avenue, 101.1 feet to the point of the BEGINNING. City of Detroit, Wayne County, Michigan, according to the plat thereof recorded in Liber 1 of Plats, Page 146 and 147 of Wayne County Records.

PARCEL 1(b):

Also beginning at a point in the Southerly line of Elizabeth Street, said point being 82 feet Westerly from the intersection of the Easterly line of Out Lot 86 and the Southerly line of Elizabeth Street; thence Southerly parallel with the Easterly line of Out Lot 86, 80 feet to a point; thence Easterly and parallel with the Southerly line of Elizabeth Street, 82 feet to a point in the Easterly line of Out Lot 86; thence Southerly along the Easterly line of Out Lot 86, 14 feet to a point; thence Westerly and parallel with Elizabeth Street, 93.58 feet to a point; thence Northerly and parallel with the Easterly line of Out Lot 86, 28.8 feet to a point; thence Easterly and parallel with Elizabeth Street, 1.72 feet to a point; thence Northerly and parallel with the Easterly line of Out Lot 86, 65.2 feet to a point in the Southerly line of Elizabeth Street; thence Easterly along the Southerly line of Elizabeth Street, 9.86 feet to the point of beginning. City of Detroit, Wayne County, Michigan, according to the plat thereof recorded in Liber 1 of Plats, Page 146 and 147 of Wayne County Records.

PARCEL 1(c):

All that part of Out Lot 86 of WOODBRIDGE FARM according to the plat thereof recorded in Liber 1 of Plats, Page 146 of Wayne County Records, and being on the north side of Michigan Avenue and bounded as follow to-wit: COMMENCING at the Southwest corner of said Out Lot 86; thence running Easterly along the North line of Michigan Avenue, a distance of 19.83 feet more or less; thence Northerly on a line parallel with the west line of said Out Lot 86, 100 feet; thence Easterly 1.72 feet to a point 20 feet from the Westerly line of said Out Lot 86; thence Northerly on a line parallel with the Westerly line of said Out Lot 86 to the South line of Elizabeth Street; thence Westerly along the South line of Elizabeth Street to the West line of said Out Lot 86; thence Southerly along the West line of said Out Lot 86 to the place of BEGINNING.

PARCEL 1(d):

Being the West 28 feet of the East 82 feet of the North 80 feet of Out Lot 86 lying Southerly of and adjacent to the South line of Elizabeth Street (50' right of way) and the West 27 feet of the East 54 feet of the North 80 feet of Out Lot 86 lying Southerly of and adjacent to the South line of said Elizabeth Street, WOODBRIDGE FARM SUBDIVISION, according to the plat thereof as recorded in Liber 1 of Plats, pages 146 and 147, Wayne County Records, described as: Commencing at the intersection of said Southerly line of Elizabeth Street and the Easterly line of said Out Lot 86; thence, Westerly (South 66 degrees 15 minutes 23 seconds West), along said Southerly line, 27.00 feet to the Point of Beginning; thence, Southerly (South 23 degrees 38 minutes 06 seconds East), along a line parallel with said Easterly line of Out Lot 86, 80.00 feet; thence, Westerly (South 66 degrees 15 minutes 23 seconds West), along a line parallel with said Southerly line, 55.00 feet; thence, Northerly (North 23 degrees 38 minutes 06 seconds West), along a line parallel with said Easterly line of Out Lot 86, 80.00 feet to said Southerly line of Elizabeth Street; thence, Easterly (North 66 degrees 15 minutes 23 seconds East), along said Southerly line, 55.00 feet to the Point of Beginning.

PARCEL II:

Lot 1, EXCEPT the North 79 feet thereof, Subdivision of the South part of Out Lot 87 of WOODBRIDGE FARM according to the plat thereof recorded in Liber 1 of Plats, Page 105 of Wayne County Records.

PARCEL III:

South half of Lot 2, Subdivision of the South part of Out Lot 87 of WOODBRIDGE FARM according to the plat thereof recorded in Liber 1, Page 105 of Wayne County Records.

PARCEL IV:

East 27 feet of North 80 feet of Out Lot 86, South of & adjacent Elizabeth Street of WOODBRIDGE FARM as divided by the Commissioners in Partition in 1864, according to the plat thereof recorded in Liber 1 of Plats, Page 146 and 147 of Wayne County Records.

PARCEL V:

North 79¹/₄ feet of Lot(s) 1, Subdivision of the South part of Out Lot 87 of WOODBRIDGE FARM according to the plat thereof recorded in Liber 1, Page 105 of Wayne County Records.

Tax Parcel Number: 000406-7/Ward 06,000408-9/Ward 06,000410/Ward 06,000476/Ward 06,000477-9/Ward 06

c/k/a 1400, 1410 and 1416 Michigan Ave, 1411 and 1421 W Elizabeth, Detroit MI

This is to certify that there are no delinquent property taxes owed to our office on this property for five years prior to the date of this instrument. No representation

is made as to the status of any tax liens or titles owed to any other entities.

No: 15736 Tom Ahola _____ Not Examined
Date 8-2-19 WAYNE COUNTY TREASURER Clerk BS

EXHIBIT B – PERMITTED EXCEPTIONS

1. Oil, gas, mineral, and aboriginal antiquities reserved by the State of Michigan, and the terms, covenants and provisions contained in instrument recorded in Liber 22212, page 609, as to Parcel IV.
2. Terms and Conditions contained in Resolution as disclosed by instrument recorded in Liber 22338, page 688, Register No. G915866, as to Parcels 1a, 1b, 1c, 1d, II, III and IV.
3. Detroit Edison Underground Easement (Right of Way) in favor of The Detroit Edison Company and the Covenants, Conditions and Restrictions contained in instrument recorded in Liber 29807, page 1874, as to Parcels 1a, 1b, 1c, 1d and IV.
4. Terms and Conditions contained in Board of Zoning Appeals Decision and Order as disclosed by instrument recorded in Liber 49170, page 658, as to Parcel III.
5. Terms and Conditions contained in Conditional Approval as disclosed by instrument recorded in Liber 49173, page 781, as to Parcel III.
6. Interest, if any, of the United States, State of Michigan, or any political subdivision thereof, in the oil, gas and minerals in and under and that may be produced from the captioned land.
7. Rights of tenants, if any, under any unrecorded lease
8. Any claim that the Title is subject to a trust or lien created under The Perishable Agricultural Commodities Act (7 U.S.C. 499a, et seq.) or the Poultry and Stockyards Act (7 U.S.C. 181, et seq.) or under similar state laws.
9. Rights, title, and interests of the other owners of portions of the building partly located on the Insured land and partly located on other land in the party walls, roof, chimneys, fixtures, and other appurtenances to the building susceptible to common use, whether or not they are located in whole or in part on the insured land or other land.
10. Survey by Core Land Consulting, dated May 9, 2019, last revised July 23, 2019, Job No. 3126-335, discloses the following:
 - a. Utility poles, electrical risers, storm sewer and sanitary sewer on the property without the benefit of a recorded easement.
 - b. Overhead utility lines crossing property and property lines without the benefit of a recorded easement.
 - c. Buildings encroach onto property to the West.
 - d. Building, awnings, basement access hatch, electric meter and flood lights encroach into 8th Street right-of-way.
 - e. Awnings, sign and flood light encroach into Michigan Avenue (US 12) right-of-way.
 - f. Parking lot and parking spaces encroach into Elizabeth Street right-of-way.
 - g. Television boxes encroach from property to the West.
 - h. Rights of others over that portion of the land used as ingress and egress to other lands.
 - i. Fence inside, outside and crossing Northerly and Easterly property lines.
 - j. Wall inside, outside and crossing Easterly property line.
 - k. Brick crossing Northerly property line.
 - l. Concrete crossing Northerly, Easterly and Southerly property lines.
 - m. Asphalt crossing Northerly, Easterly and Westerly property lines.

City of Detroit

Janice M. Winfrey

City Clerk

OFFICE OF THE CITY CLERK

André P. Gilbert II

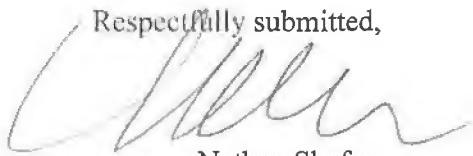
Deputy City Clerk

October 29, 2019

To: Maurice Cox, Director
Planning and Development Department
Coleman A. Young Municipal Center
2 Woodward Ave. Suite 908
Detroit, MI. 48226

Re: 1400 Michigan Ave, LLC

Please find attached an *amended* application for Commercial Rehabilitation Exemption Certificate for Property located at 1410 Michigan Ave, Detroit, MI 48214 (**RELATED TO PETITION #473**)

Respectfully submitted,

Nathan Shafer,
Jr. Asst. City Council Committee Clerk
Office of the City Clerk

CLARK HILL

Clark Hill PLC
500 Woodward Avenue
Suite 3500
Detroit, MI 48226
T 313.965.8300
F 313.965.8252

clarkhill.com

October 28, 2019

Detroit City Council
Coleman A. Young Municipal Center
2 Woodward Ave Suite 1340
Detroit, MI 48226

RE: Amendment to Petition #473

Honorable City Council:

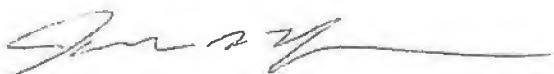
Please accept this letter as a request to amend Petition #473 on behalf of 1400 Michigan Ave LLC (the "Applicant"). The original submission for Petition #473 consisted of the request for issuance of Commercial Rehabilitation Certificates for 1400 Michigan Avenue, Detroit, MI (Parcel Number: 06000410), 1410 Michigan Avenue, Detroit, MI (Parcel Number: 06000406-9), and 1416 Michigan Avenue (Parcel Number: 06000406-7) (collectively, the "Subject Property") on behalf of the Applicant.

Following submission of the original petition package on August 20, 2019, the Applicant has engaged in additional discussions with staff at both the Detroit Economic Growth Corporation and the Housing and Revitalization Department relative to the Commercial Rehabilitation Certificates requested. Pursuant to those discussions, the Applicant has revised certain portions of the original petition package. For convenience and clarity, the revised petition package is attached hereto in its entirety rather than merely the portions of the package that Applicant was directed to revise.

Should you have any questions or require any additional information you may contact me by phone at (313)965-8815 or via email at jkopietz@clarkhill.com. You may also contact Kevin Kovachevich directly by phone at (313) 241-9200 or via email at kevin@dcapdetroit.com.

Respectfully submitted,

Clark Hill PLC


Joseph S. Kopietz

cc: K. Bridges, DEGC
N. Marsh, DEGC
V. Farley, HRD
K. Kovachevich

Encl.

CLARK HILL

Clark Hill PLC
500 Woodward Avenue
Suite 3500
Detroit, MI 48226
T 313.965.8300
F 313.965.8252

clarkhill.com

October 28, 2019

Detroit City Council
Coleman A. Young Municipal Center
2 Woodward Ave Suite 1340
Detroit, MI 48226

RE: Request for issuance of a Commercial Rehabilitation Certificate for 1410 Michigan Avenue, Detroit, MI (Parcel Number: 06000406-9) (the "Subject Property") on behalf of 1400 Michigan Ave LLC (the "Applicant")

Honorable City Council:

Please accept this letter as a request to issue a Commercial Rehabilitation Certificate for the Subject Property, which is depicted on Attachment A1 and more particularly described on Attachment A2.

The building located at the Subject Property was originally constructed in 1923 and consists of a 5,184 square foot, two story, mixed-use building located in the Corktown neighborhood of Detroit. The Subject Property is located near the northwest corner of Michigan Avenue and 8th Street, approximately one mile from Detroit's central business district. The main floor of the Subject Property will be expansion space for the restaurant located in the adjacent, with two apartments taking up the second floor. Rehabilitation of the Subject Property will involve renovations to the existing apartments and the replacement of the HVAC system. Additionally, the renovations will include exterior tuck pointing, painting, and general exterior renovations.

This request for issuance of a Commercial Rehabilitation Certificate for the Subject Property is being submitted along with requests for issuance of Commercial Rehabilitation Certificates for adjacent parcels as part of a larger redevelopment project. All of the subject parcels were acquired by the Applicant this month and all property taxes were paid on the subject parcels at the time of closing (see the Deed and Tax Information included as Attachments B and C).

While we have included the specific information related to the Subject Property on the attached application, we feel it is important for this Honorable Body to consider the project as a whole as described herein. The ground floor of the project properties consists of eight (8) retail spaces, totaling 12,000 square feet. 30,100 square foot, two story, mixed-use property located in

October 28, 2019

Page 2

the Corktown neighborhood of Detroit. The second floor of the project properties consists of 14 residential units, including five (5) one-bedroom units and nine (9) two-bedroom units ranging in size from 1,250 – 1,850 square feet. The retail component of the project properties is currently fully leased, and the residential component of the property is currently 64% occupied. Additionally, the project property includes a 42-space surface lot on the Elizabeth street side which will provide parking for the residents and retail shoppers of the project tenants.

The business plan is to invest significant capital into the subject properties by renovating the apartment and retail units and updating up the exterior (particularly the rear of the buildings facing the parking lot and Elizabeth Street) give them a cleaner, fresher, more modernized look.

This development is eligible for a Commercial Rehabilitation Certificate due to the following qualifications:

MCL 207.842 Sec. 2. (h) "...Qualified facility also includes a building or a group of contiguous buildings, a portion of a building or group of contiguous buildings previously used for commercial or industrial purposes, obsolete industrial property, and vacant property which, within the immediately preceding 15 years, was commercial property as defined in subdivision (a)."

MCL 207.844 Sec. 4. (1) "If a commercial rehabilitation district is established under section 3, the owner of a qualified facility may file an application for a commercial rehabilitation exemption certificate with the clerk of the qualified local governmental unit that established the commercial rehabilitation district..."

The Applicant seeks tax relief through the PA210 in order to be able to meet minimum investment hurdles of the investors and to ensure the primary senior lender is able to meet minimum the debt service coverage hurdles per their standard underwriting. The Applicant is seeking the maximum number of years of the tax exemption, ten (10) plus the construction period of one (1) year for a total request of eleven (11) years.

The Applicant is currently investigating the number of full-time employees currently employed at the project properties. Based on the types of retail tenants in the buildings and the limited hours of operation, it seems the number of full-time employees is quite small. Ottawa Via, the tenant of 1400 Michigan Avenue, currently has a full staff while the other tenants seem to only be open limited hours or part time.

As part of the Applicant's business plan, we intend to invest significant dollars into improving the retail spaces to enhance the business of existing tenants and, as leases expire, attract tenants who have the need for more full-time employees. We are currently interviewing a pharmacy, a coffee house and a restaurant to potentially take space in the ground level retail spaces for which existing tenants have not committed to new leases. It should also be noted as part of the improvements to the project properties, Ottawa Via is expanding their space by over 1,500 SF to add a new restaurant which will add 1 full time employee. Additionally, the Applicant's sponsor, District Capital, will hire 1 full time employee in Detroit to oversee the construction management and property management of this property. It is anticipated, that upon

October 28, 2019

Page 3

completion of the retail renovations and reprogramming of the retail tenants, an additional 2-3 full time employees will be hired over the current workforce at the property. When the business plan is completed, we anticipate a total of 4-5 full time employees will be employed at the property.

The combined capital investment into the project properties will be upwards of \$750,000. These dollars will be spent on the demolition and reconstruction of the interiors of the apartments and retail spaces to modernize the current space and provide for a more open floor plan to live and conduct business in. This will include new kitchen cabinets, appliances, lighting package, doors, flooring, bathroom upgrades fixtures and painting. Additionally, we seek to upgrade the current HVAC systems in place, replace windows as necessary, conduct brick façade work and reconstruct the decking systems to provide for additional deck space and to ensure a safer decking option for the residential tenants. We anticipate this project will take 12 months to complete from start to finish and the rehabilitation is anticipated to commence before the end of 2019.

It is anticipated the project will be financed through a combination of senior debt provided by TCF Bank and equity as provided by the Applicant. There will be no other sources of public assistance or loan assistance required for this project.

When completed the project will provide for a number of economic advantages to the City of Detroit both long and short term in nature. We anticipate the investment in the property and the potential new tenants will significantly increase the daytime traffic and overall foot traffic to the Corktown area. We feel our capital investment will continue to encourage additional re-development and further investment in the immediate and surrounding areas. It is anticipated the long-term gains to the city will include increased real estate tax revenue after the PA210 abatement expiry and additional full-time employees hired at the property which provide additional tax revenue through City of Detroit income taxation.

The Applicant's investment team is uniquely positioned to execute on this development and provide certainty of execution of delivery. The team consists of Kevin Kovachevich, owner of District Capital, headquartered in Detroit, and Bob Lenz, owner of Peak Management headquartered in Royal Oak.

Kevin Kovachevich brings over 20 years of structured commercial real estate financing along with multi-family and commercial real estate ownership and management experience. Additionally, Kevin's company, District Capital, has its headquarters in Brush Park, just a short drive from the project property, which will allow there to be close oversight during the phases of renovation, lease-up, and stabilization.

Bob Lenz founded Peak Management in 2005 to manage multi-family real estate investments. Headquartered in Royal Oak, Michigan, the company has grown its portfolio to include nearly 3,000 units throughout the states of Michigan and Georgia. The team includes employees with expertise in management, leasing, maintenance, finance, integrated IT systems, and comprehensive marketing. We strive to provide communities that our residents are proud to call home. Peak Management's passion for providing customer service can be seen in our high renewal rates, referrals, and letters of appreciation from residents.

October 28, 2019

Page 4

Together Bob and Kevin own and manage over 3,000 apartment units in Michigan and Georgia and have been involved in multifamily asset ownership since 2006.

Should you have any questions or require any additional information you may contact by phone at (313)965-8815 or via email at jkopietz@clarkhill.com. You may also contact Kevin Kovachevich directly by phone at (313) 241-9200 or via email at kevin@dcapdetroit.com.

Respectfully submitted,

Clark Hill PLC



Joseph S. Kopietz

cc: K. Bridges, DEGC
N. Marsh, DEGC
V. Farley, HRD
K. Kovachevich

Attachment A: Application for Commercial Rehabilitation Exemption Certificate

Attachment A1: Site Map depicting the Subject Property

Attachment A2: Legal Description of Subject Property

Attachment B: Current Tax Information and Evidence of Payment

Attachment C: Vesting Deed

Attachment A
Application for Commercial Rehabilitation Exemption Certificate

[attached]

STATE USE ONLY		
Application Number	Date Received	LUCI Code

Application for Commercial Rehabilitation Exemption Certificate

Issued under authority of Public Act 210 of 2005, as amended.

Read the instructions page before completing the form. This application should be filed after the commercial rehabilitation district is established. The applicant must complete Parts 1, 2 and 3 and file one original application form (with required attachments) and one additional copy with the clerk of the local governmental unit (LGU). Attach the legal description of property on a separate sheet. This project will not receive tax benefits until approved by the State Tax Commission (STC). Applications received after October 31 may not be acted upon in the current year. This application is subject to audit by the STC.

PART 1: OWNER / APPLICANT INFORMATION (applicant must complete all fields)			
Applicant (Company) Name (applicant must be the owner of the facility) 1400 Michigan Ave LLC		NAICS or SIC Code 6519	
Facility's Street Address 1410 Michigan Avenue		City Detroit	State MI ZIP Code 48216
Name of City, Township or Village (taxing authority) Detroit		County Wayne	School District Where Facility is Located Detroit
<input checked="" type="checkbox"/> City <input type="checkbox"/> Township <input type="checkbox"/> Village		Planned Date of Rehabilitation Completion (mm/dd/yyyy) 11/30/2020	
Date of Rehabilitation Commencement (mm/dd/yyyy) 12/01/2019		Number of Years Exemption Requested (1-10) 10	
Estimated Cost of Rehabilitation \$100,000			
Expected Project Outcomes (check all that apply)			
<input checked="" type="checkbox"/> Increase Commercial Activity		<input checked="" type="checkbox"/> Retain Employment	<input checked="" type="checkbox"/> Revitalize Urban Areas
<input checked="" type="checkbox"/> Create Employment		<input type="checkbox"/> Prevent Loss of Employment	<input checked="" type="checkbox"/> Increase Number of Residents in Facility's Community
No. of jobs to be created due to facility's rehabilitation 1	No. of jobs to be retained due to facility's rehabilitation 1	No. of construction jobs to be created during rehabilitation 1	

PART 2: APPLICATION DOCUMENTS

Prepare and attach the following items:

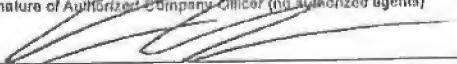
- | | |
|--|---|
| <input checked="" type="checkbox"/> General description of the facility (year built, original use, most recent use, number of stories, square footage) | <input checked="" type="checkbox"/> Statement of the economic advantages expected from the exemption |
| <input checked="" type="checkbox"/> Description of the qualified facility's proposed use | <input checked="" type="checkbox"/> Legal description |
| <input checked="" type="checkbox"/> Description of the general nature and extent of the rehabilitation to be undertaken | <input type="checkbox"/> Description of the "underserved area" (Qualified Retail Food Establishments only) |
| <input checked="" type="checkbox"/> Descriptive list of the fixed building equipment that will be a part of the qualified facility | <input type="checkbox"/> Commercial Rehabilitation Exemption Certificate for Qualified Retail Food Establishments (Form 4753) (Qualified Retail Food Establishments only) |
| <input checked="" type="checkbox"/> Time schedule for undertaking and completing the facility's rehabilitation | |

PART 3: APPLICANT CERTIFICATION

Name of Authorized Company Officer (no authorized agents) Kevin Kovachevich	Telephone Number 313-241-9200		
Fax Number	E-mail Address Kevin@DcapDetroit.com		
Street Address 42 Watson Suite D	City Detroit	State MI	ZIP Code 48201

I certify that, to the best of my knowledge, the information contained herein and in the attachments is truly descriptive of the property for which this application is being submitted. Further, I am familiar with the provisions of Public Act 210 of 2005, as amended, and to the best of my knowledge the company has complied or will be able to comply with all of the requirements thereof which are prerequisite to the approval of the application by the local governmental unit and the issuance of a Commercial Rehabilitation Exemption Certificate by the State Tax Commission.

I further certify that this rehabilitation program, when completed, will constitute a rehabilitated facility, as defined by Public Act 210 of 2005, as amended, and that the rehabilitation of this facility would not have been undertaken without my receipt of the exemption certificate.

Signature of Authorized Company Officer (no authorized agents) 	Title Member	Date 8/20/19
---	------------------------	------------------------

PART 4: ASSESSOR RECOMMENDATIONS (assessor of LGU must complete Part 4)

Provide the Taxable Value and State Equalized Value of Commercial Property, as provided in Public Act 210 of 2005, as amended, for the tax year immediately preceding the effective date of the certificate (December 31 of the year approved by the STC).

	Taxable Value	State Equalized Value (SEV)
Land		
Building(s)		

The property to be covered by this exemption may not be included on any other specific tax roll while receiving the Commercial Rehabilitation Exemption. For example, property on the Eligible Tax Reverted Property (Land Bank) specific tax roll cannot be granted a Commercial Rehabilitation Exemption that would also put the same property on the Commercial Rehabilitation specific tax roll.

By checking this box I certify that, if approved, the property to be covered by this exemption will be on the Commercial Rehabilitation Exemption specific tax roll and not on any other specific tax roll.

Name of Local Government Body

Name of Assessor (first and last name)	Telephone Number
Fax Number	E-mail Address

I certify that, to the best of my knowledge, the information contained in Part 4 of this application is complete and accurate.

Assessor's Signature	Date
----------------------	------

PART 5: LOCAL GOVERNMENT ACTION (clerk of LGU must complete Part 5)

Action Taken By LGU (attach a certified copy of the resolution):

- Exemption approved for _____ years, ending December 30, _____ (not to exceed 10 years)
 Exemption Denied

Date District Established (attach resolution for district)	Local Unit Classification Identification (LUCI) Code	School Code
--	--	-------------

PART 6: LOCAL GOVERNMENT CLERK CERTIFICATION (clerk of LGU must complete Part 6)

Clerk's Name (first and last)	Telephone Number		
Fax Number	E-mail Address		
Mailing Address	City	State	ZIP Code
LGU Contact Person for Additional Information	LGU Contact Person Telephone Number		Fax Number

I certify that, to the best of my knowledge, the information contained in this application and attachments is complete and accurate and hereby request the State Tax Commission issue a Commercial Rehabilitation Exemption Certificate, as provided by Public Act 210 of 2005, as amended.

Clerk's Signature	Date
-------------------	------

The clerk must retain the original application at the local unit and mail one copy of the completed application with attachments to:

State Tax Commission
P.O. Box 30471
Lansing, MI 48909

Instructions for Completing Form 4507

Application for Commercial Rehabilitation Exemption Certificate

The Commercial Rehabilitation Exemption Certificate was created by Public Act 210 of 2005, as amended. The application is initially filed, reviewed, and approved by the LGU and then reviewed and approved by the State Tax Commission. According to Section 3 of Public Act 210 of 2005, as amended, the LGU must establish a Commercial Rehabilitation District. Rehabilitation may commence after establishment of the Commercial Rehabilitation District.

Owner / Applicant Instructions

1. Complete Parts 1, 2 and 3 of application
2. Prepare and attach all documents required under Part 2 of the application:
 - a. General description of the facility (year built, original use, most recent use, number of stories, square footage)
 - b. Description of the qualified facility's proposed use
 - c. Description of the general nature and extent of the rehabilitation to be undertaken
 - d. Descriptive list of the fixed building equipment that will be a part of the qualified facility
 - e. Time schedule for undertaking and completing the facility's rehabilitation
 - f. Statement of the economic advantages expected from the exemption
 - g. Legal description of the facility
 - h. Description of the "underserved area" (Qualified Retail Food Establishments only)
3. Qualified Retail Food Establishments:
 - a. Complete Part 1 of the *Commercial Rehabilitation Exemption Certification for Qualified Retail Food Establishments* (Form 4753). Submit to LGU clerk along with application.
 - b. Describe the "underserved area" and provide supporting documentation to show how the project area meets one or more of the following requirements:
 - i. An area that contains a low to moderate income census tract(s) which, based on per capita income, are tracts below the 66.67 percentile (\$23,643 in 1999 dollars) and a below average supermarket density
 - ii. An area that has a supermarket customer base with more than 50% living in a low income census tract(s) which based on the per capita income, are tracts below the 66.67 percentile (\$23,643 in 1999 dollars)
 - iii. An area that has demonstrated significant access limitations due to travel distance and has no Qualified Retail Food Establishments within two miles of the geo-center for an urban area or has no Qualified Retail Food Establishments within nine miles of the geo-center for a rural area.

For assistance in determining the project area's eligibility, visit www.michigan.gov/propertytaxexemptions and click on Commercial Rehabilitation Act.

4. Submit the application and all attachments to the clerk of the LGU where the property is located.

LGU Assessor Instructions

Complete and sign Part 4 of the application.

LGU Clerk Instructions

1. After LGU action, complete Part 5 of the application.
2. After reviewing the application for complete and accurate information, complete Part 6 and sign the application to certify the application meets the requirements as outlined by Public Act 210 of 2005, as amended.
3. Assemble the following for a complete application:
 - a. Completed *Application for Commercial Rehabilitation Exemption Certificate* (Form 4507)
 - b. All required attachments listed under Part 2
 - c. A copy of the resolution by the LGU establishing the district
 - d. A certified copy of the resolution by the LGU approving the application
 - e. Complete Form 4753 (Qualified Retail Food Establishments only)
4. Submit the completed application to: State Tax Commission, P.O. Box 30471, Lansing, MI 48909

Application Deadline

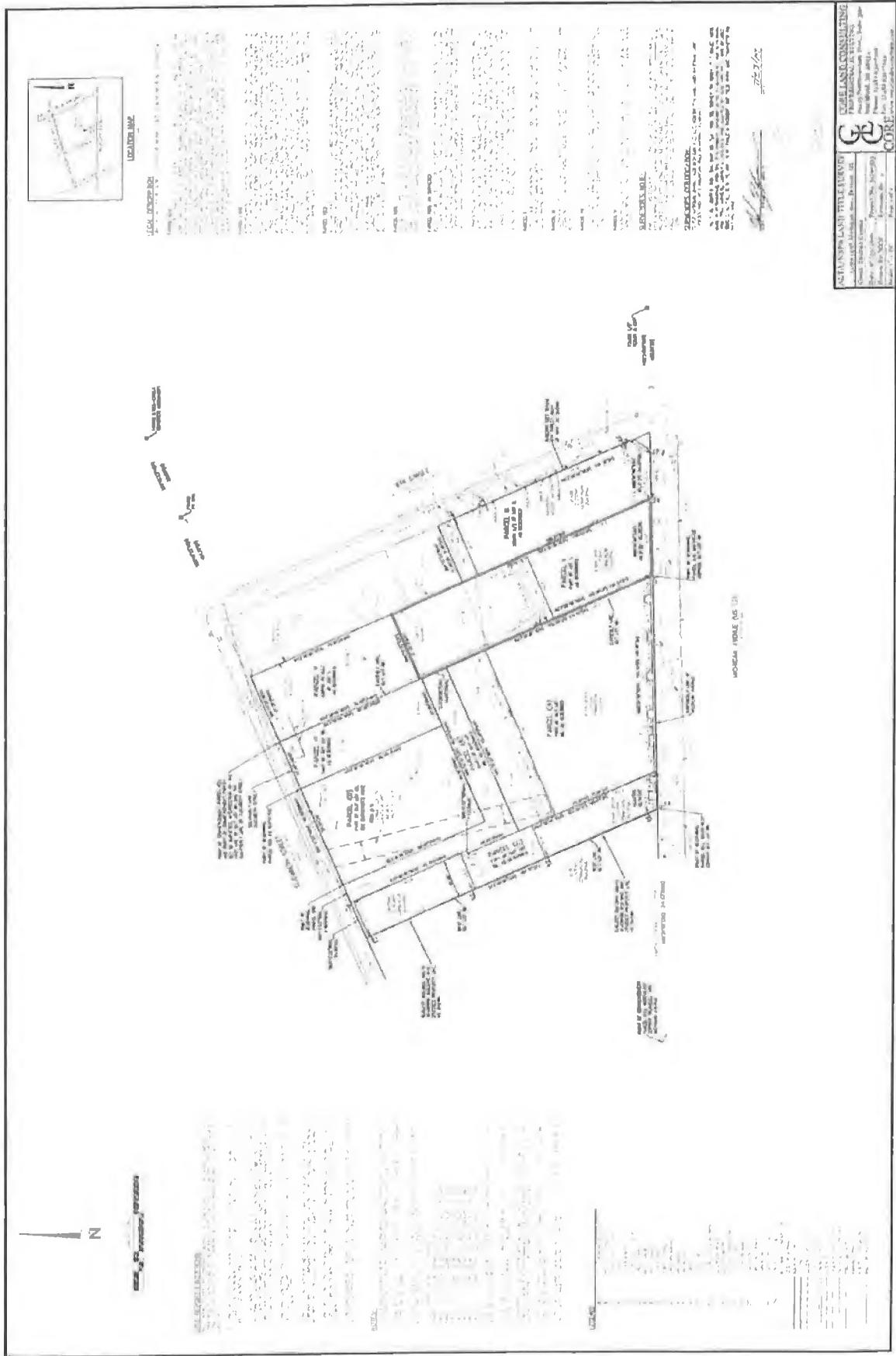
The State Tax Commission must receive complete applications on or before October 31 to ensure processing and certificate issuance for the following tax year. Applications received after October 31 may not be processed in time for certificate issuance for the following tax year.

For guaranteed receipt by the State Tax Commission, send applications and attachments via certified mail.

If you have questions or need additional information or sample documents, visit www.michigan.gov/propertytaxexemptions or call 517-335-7491

Attachment A1
Site Map depicting the Subject Property

[attached]





TO: Matthew Langston, Housing and Revitalization
FROM: Esther Yang, Planning and Development
RE: Master Plan Interpretation for Commercial Rehabilitation Exemption Certificate (PA 210)
for 1400 Michigan (Associated to Petition 473)
DATE: November 1, 2019
CC: Katherine Trudeau, Deputy Director, Planning and Development
Kevin Schronce, PDD Central, Planning and Development
Garrick Landsberg, PDD Historic, Planning and Development

In order to ensure that the issuance of a certificate for a property within a **Commercial Rehabilitation District** is consistent with the City's Master Plan of Policies and will have the reasonable likelihood to increase commercial activity; create, retain or prevent a loss of employment; revitalize an urban area; or increase the number of residents in a community, pursuant to State of Michigan, Public Act 210 of 2005 (section 207.853), the Planning and Development Department's Planning Division submits the following interpretation. The Petitioner is 1400 Michigan Avenue LLC

Location and Project Proposal: 1400 Michigan Avenue; The property dates back to 1914 and consists of a 6,364 square foot, two-story, mixed-use building. The main floor of the subject site currently operates as a restaurant, with two apartments on the second floor. Project seeks to renovate existing apartments and replace the HVAC system. Renovations will also include exterior renovations as well. The property is located in a Historic District.

Master Plan Interpretation

The subject site area is designated **Mixed Residential-Commercial (MRC)**. Mixed Residential-Commercial areas consist primarily of high density housing developed compatibly with commercial and/or institutional uses. This classification is well suited to areas proximal to existing centers of major commercial activity, major thoroughfares, transportation nodes, or gateways into the city."

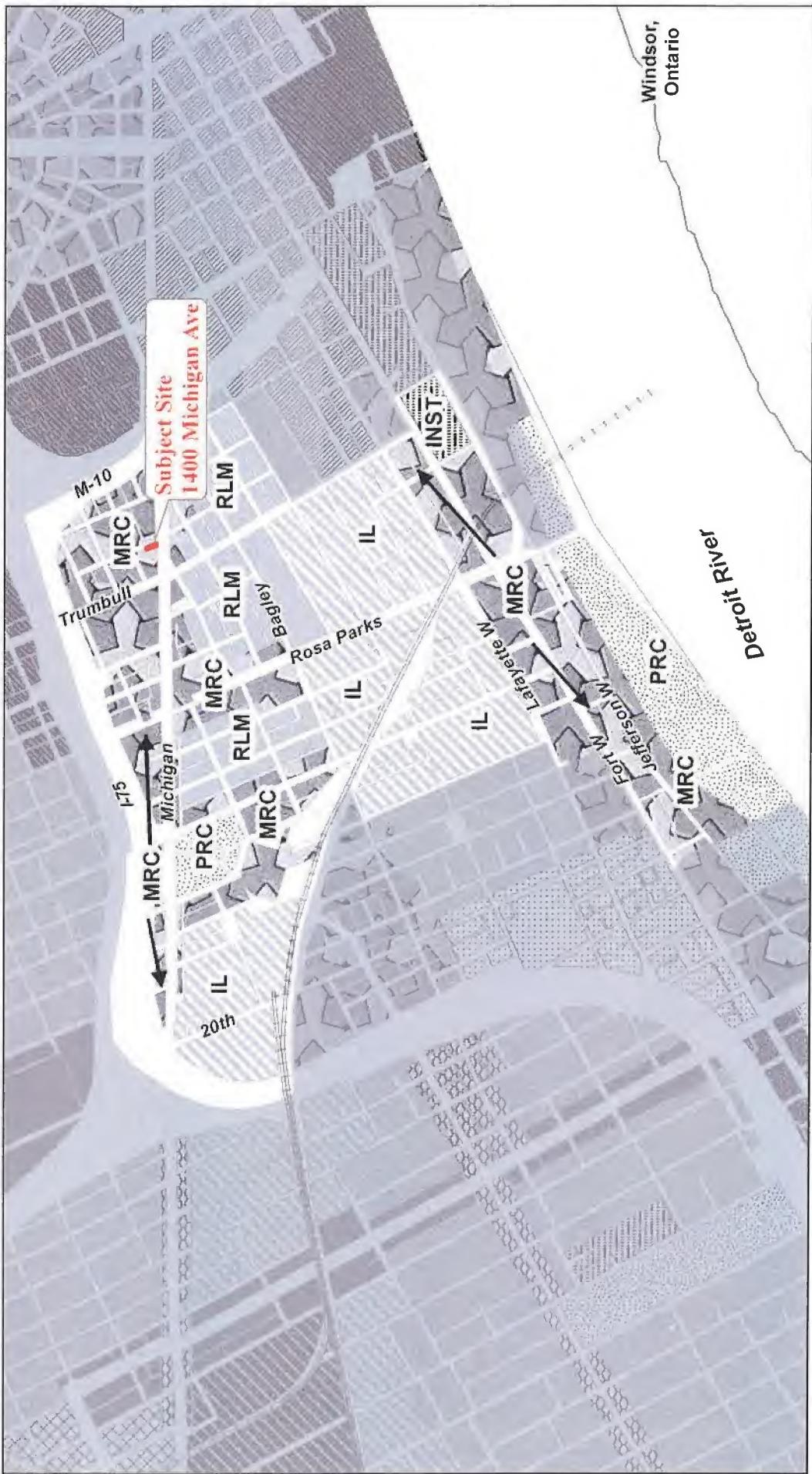
The following Goals and/or policies of the Corktown neighborhood describe the following recommendations:

- Goal 2: Increase residential density
- Goal 4: Develop mixed-use activity nodes

The proposed development conforms to the Future General Land Use characteristics of the area.

Attachments

Future General Land Use Map: Neighborhood Cluster 4, Corktown; Map 4-2B



Map 4-2B
City of Det
Master Pla
Policies

Neighborhood Cluster 4 Corktown



	Low Density Residential (RL)
	Low / Medium Density Residential (RLM)
	Medium Density Residential (RM)
	High Density Residential (RH)
	Major Commercial (CM)
	Retail Center (CRC)
	Neighborhood Commercial (CN)
	Thoroughfare Commercial (CT)
	Special Commercial (CS)
	General Industrial (IG)
	Light Industrial (IL)
	Distribution / Port Industrial (DP)
	Mixed - Residential / Commercial (MRC)
	Mixed - Residential / Industrial (MRI)
	Mixed - Twin Center (MTc)
	Recreation (PRC)
	Regional Park (PR)
	Private Marina (PRM)
	Airport (AP)
	Cemetery (CEM)
	Institutional (INST)
	Mixed - Residential / Commercial (MRC)
	Mixed - Residential / Industrial (MRI)



TO: Matthew Langston, Housing and Revitalization
FROM: Esther Yang, Planning and Development
RE: Master Plan Interpretation for **Commercial Rehabilitation Exemption Certificate (PA 210)**
for 1410 Michigan (Associated to Petition 473)
DATE: November 1, 2019
CC: Katherine Trudeau, Deputy Director, Planning and Development
Kevin Schrone, PDD Central, Planning and Development
Garrick Landsberg, PDD Historic, Planning and Development

In order to ensure that the issuance of a certificate for a property within a **Commercial Rehabilitation District** is consistent with the City's Master Plan of Policies and will have the reasonable likelihood to increase commercial activity; create, retain or prevent a loss of employment; revitalize an urban area; or increase the number of residents in a community, pursuant to State of Michigan, Public Act 210 of 2005 (section 207.853), the Planning and Development Department's Planning Division submits the following interpretation. The Petitioner is 1400 Michigan Avenue LLC

Location and Project Proposal: 1410 Michigan Avenue; The subject site dates back to 1923 and consists of a 5,814 square foot, two-story, mixed-use building. The project seeks to rehabilitate the main floor as an expansion space for the restaurant located in the adjacent property with residential properties on the second floor. Subject site will involve interior and exterior renovations alongside the installation of an HVAC system. The property is located in a historic district.

Master Plan Interpretation

The subject site area is designated **Mixed Residential-Commercial (MRC)**. Mixed Residential-Commercial areas consist primarily of high density housing developed compatibly with commercial and/or institutional uses. This classification is well suited to areas proximal to existing centers of major commercial activity, major thoroughfares, transportation nodes, or gateways into the city."

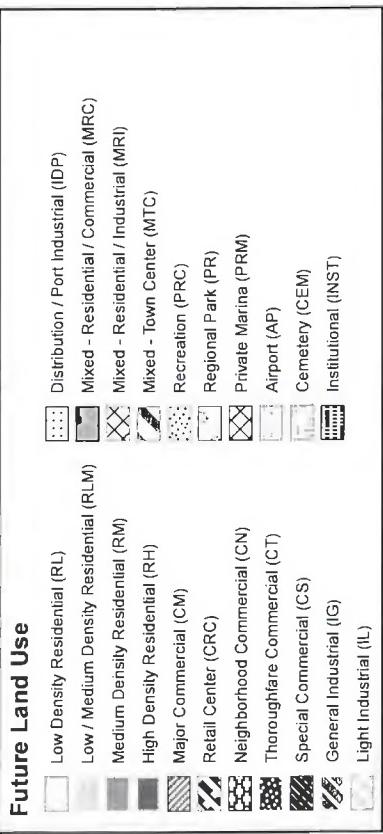
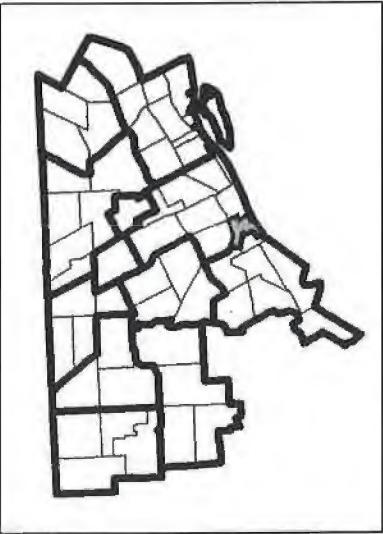
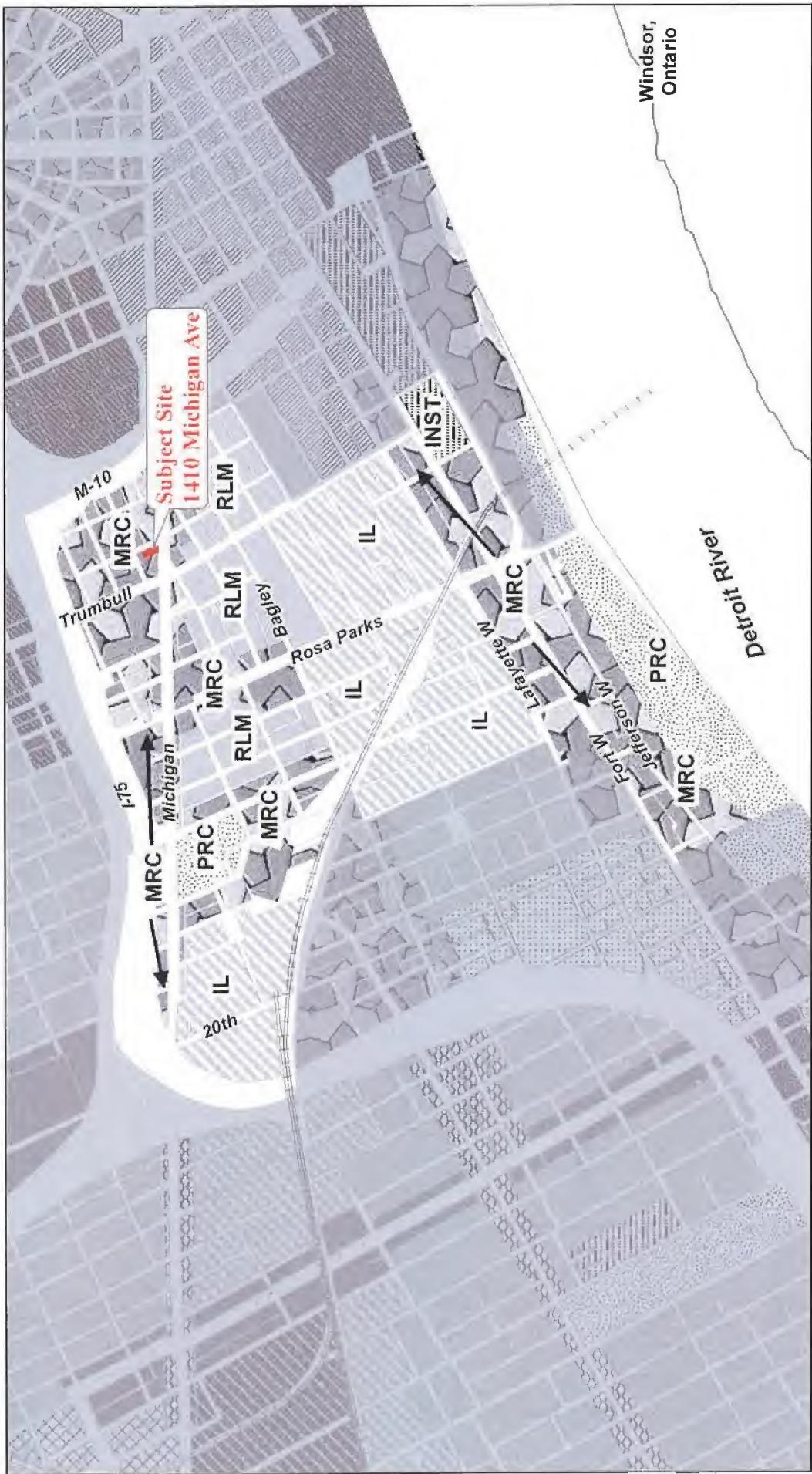
The following Goals and/or policies of the Corktown neighborhood describe the following recommendations:

- Goal 2: Increase residential density
- Goal 4: Develop mixed-use activity nodes

The proposed development conforms to the Future General Land Use characteristics of the area.

Attachments

Future General Land Use Map: Neighborhood Cluster 4, Corktown; Map 4-2B



Map 4-2B
**City of Detroit
Master Plan of
Policies**

Neighborhood Cluster 4 Corktown

P D D



TO: Matthew Langston, Housing and Revitalization
FROM: Esther Yang, Planning and Development
RE: Master Plan Interpretation for **Commercial Rehabilitation Exemption Certificate (PA 210)**
for 1416 Michigan (Associated to Petition #473)
DATE: November 1, 2019
CC: Katherine Trudeau, Deputy Director, Planning and Development
Kevin Schronec, PDD Central, Planning and Development
Garrick Landsberg, PDD Historic, Planning and Development

In order to ensure that the issuance of a certificate for a property within a **Commercial Rehabilitation District** is consistent with the City's Master Plan of Policies and will have the reasonable likelihood to increase commercial activity; create, retain or prevent a loss of employment; revitalize an urban area; or increase the number of residents in a community, pursuant to State of Michigan, Public Act 210 of 2005 (section 207.853), the Planning and Development Department's Planning Division submits the following interpretation. The Petitioner is 1400 Michigan Avenue LLC

Location and Project Proposal: 1416 Michigan Avenue. The subject site contains two properties that date back to 1888 and 1923. The first property is a 15,150 square foot, three-story mixed use building. The second property is a 2,400 square foot, two-story residential building. Project seeks renovations to existing apartments, improvements to retail spaces on the main floor, and the replacement of the HVAC system. The property is located in a historic district.

Master Plan Interpretation

The subject site area is designated **Mixed Residential-Commercial (MRC)**. Mixed Residential-Commercial areas consist primarily of high density housing developed compatibly with commercial and/or institutional uses. This classification is well suited to areas proximal to existing centers of major commercial activity, major thoroughfares, transportation nodes, or gateways into the city."

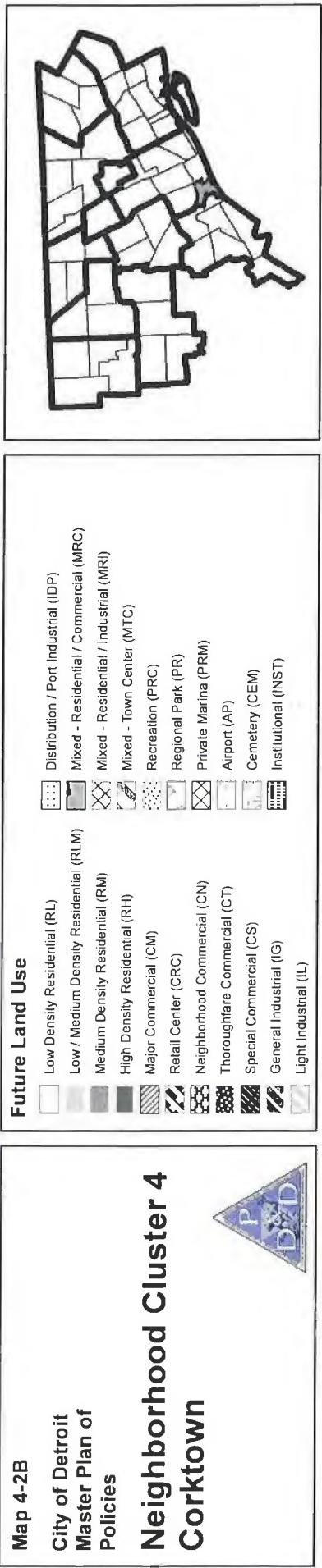
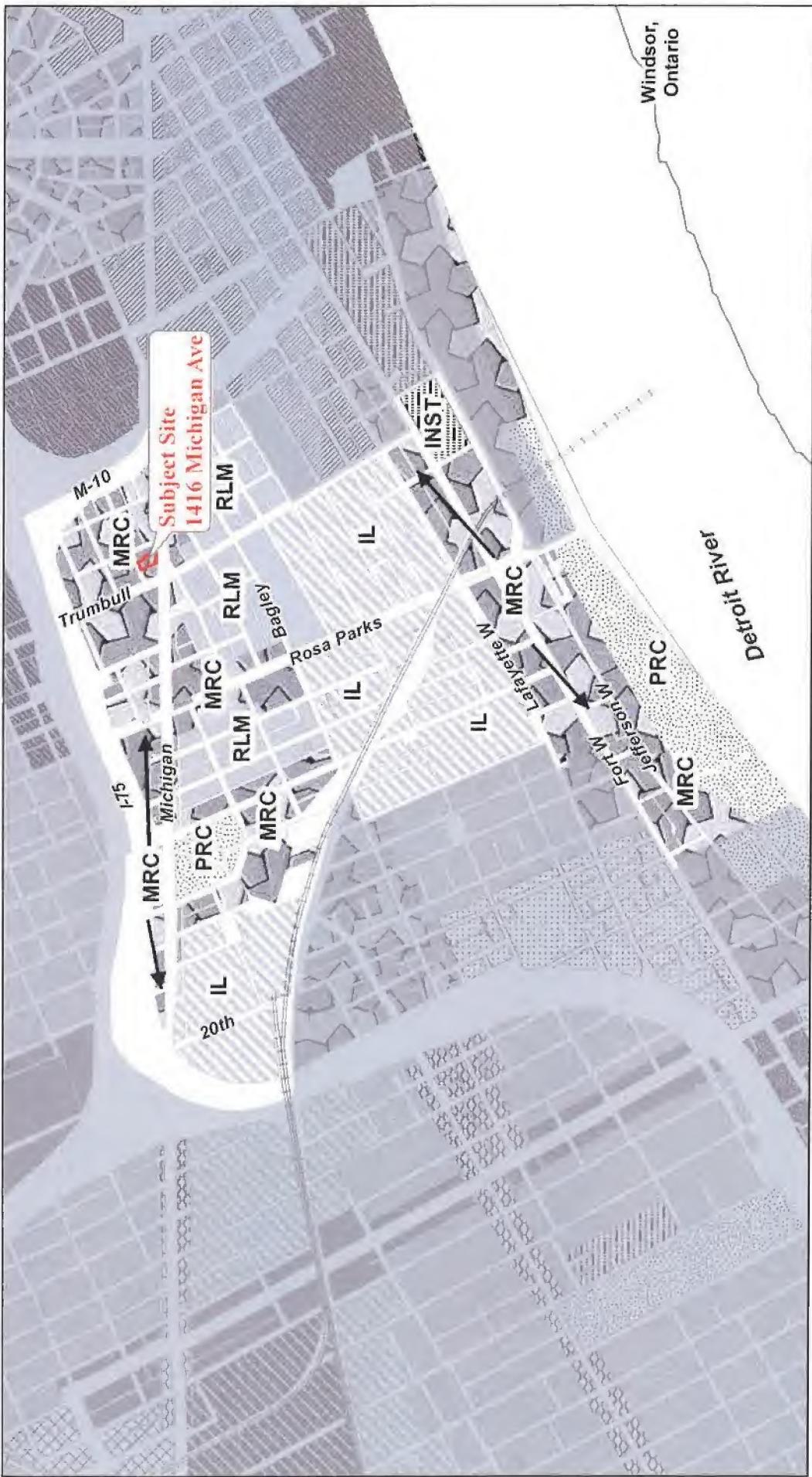
The following Goals and/or policies of the Corktown neighborhood describe the following recommendations:

- Goal 2: Increase residential density
- Goal 4: Develop mixed-use activity nodes

The proposed development conforms to the Future General Land Use characteristics of the area.

Attachments

Future General Land Use Map: Neighborhood Cluster 4, Corktown; Map 4-2B





CITY OF DETROIT
OFFICE OF THE CHIEF FINANCIAL OFFICER
OFFICE OF THE ASSESSOR

COLEMAN A. YOUNG MUNICIPAL CENTER
2 WOODWARD AVENUE, SUITE 824
DETROIT, MICHIGAN 48226
(313) 224-3011 • TTY:711
(313) 224-9400
WWW.DETROITMI.GOV

October 25, 2019

Katy Trudeau, Deputy Director
Planning & Development Department
Coleman A. Young Municipal Center
2 Woodward Ave, Suite 808
Detroit, MI 48226

RE: Commercial Rehabilitation Certificate – **1400 Michigan Ave LLC**
Property Address: 1400 Michigan Avenue
Parcels Number: 06000410.

Dear Ms. Trudeau:

The Office of the Chief Financial Officer, Office of the Assessor, has reviewed the Commercial Rehabilitation certificate application for the properties located at **1400 Michigan Avenue** in the **Corktown** area in the City of Detroit.

The rationale for issuing Commercial Rehabilitation certificates under PA 210 of 2005, as amended, is based on the anticipation of increased market value upon completion of new construction and /or significant rehabilitation of existing commercial property and commercial housing property. Normal repair and maintenance are not assessed and do not necessarily generate additional market value.

The site presently consists of a mixed use apartment/retail 2-story building with 6,364 square feet built in 1914 on .081 acres of land. **1400 Michigan Ave LLC** proposes to rehabilitate the building including demolition and reconstruction of the interior retail space to provide for the expansion of the adjacent restaurant, new kitchen cabinets, appliances, lighting, flooring, bathroom upgrades, upgrade the HVAC system and update the exterior rear portion of the building. The project is expected to increase commercial activity in the area, create employment, retain employment, increase the number of residents in the community and revitalize the urban area.

The 2019 values are as follows:

Parcel #	Address	Building Assessed Value (SEV)	Building Taxable Value	Land Assessed Value (SEV)	Land Taxable Value
06000410.	1400 MICHIGAN	\$ 93,200	\$ 14,023	\$ 42,100	\$ 6,335

This property meets the criteria set forth under PA 210 of 2005, as amended. It applies to a building or a group of contiguous buildings, a portion of a building or group of contiguous buildings previously used for commercial or industrial purposes, obsolete industrial property, and vacant property which, within the immediately preceding 15 years, was operating as a commercial business enterprise.

A review of the general plans, along with the criteria set forth under the Commercial Rehabilitation Act, indicated that the proposed project located at **1400 Michigan Avenue** is eligible as it pertains to the Commercial Rehabilitation certificate criteria under P.A. 210 of 2005, as amended.

Sincerely,

Charles Ericson, MMAO
Assessor, Board of Assessors



Commercial Rehabilitation Certificate
1400 Michigan Ave LLC
Page 2

Property Owner: 1400 MICHIGAN AVE LLC
Property Address: 1400 MICHIGAN AVE
Parcel Number: 06000410.
Legal Description: N MICHIGAN S 1/2 2 SUB OF PT WOODBRIDGE FARM L1 P105 PLATS, W C R 6/20 34.70 IRREG

The legal description on the assessment roll matches the legal description on the petition.





October 25, 2019

Katy Trudeau, Deputy Director
Planning & Development Department
Coleman A. Young Municipal Center
2 Woodward Ave, Suite 808
Detroit, MI 48226

RE: Commercial Rehabilitation Certificate – **1400 Michigan Ave LLC**
Property Address: 1410 Michigan Avenue
Parcels Number: 06000408-9

Dear Ms. Trudeau:

The Office of the Chief Financial Officer, Office of the Assessor, has reviewed the Commercial Rehabilitation certificate application for the properties located at **1410 Michigan Avenue** in the **Corktown** area in the City of Detroit.

The rationale for issuing Commercial Rehabilitation certificates under PA 210 of 2005, as amended, is based on the anticipation of increased market value upon completion of new construction and /or significant rehabilitation of existing commercial property and commercial housing property. Normal repair and maintenance are not assessed and do not necessarily generate additional market value.

The site presently consists of a mixed use apartment/retail 2-story building with 5,184 square feet built in 1923 on .119 acres of land. **1400 Michigan Ave LLC** proposes to rehabilitate the building including demolition and reconstruction of the interior retail space to provide for the expansion of the adjacent restaurant, new kitchen cabinets, appliances, lighting, flooring, bathroom upgrades, upgrade the HVAC system and update the exterior rear portion of the building. The project is expected to increase commercial activity in the area, create employment, retain employment, increase the number of residents in the community and revitalize the urban area.

The 2019 values are as follows:

Parcel #	Address	Building Assessed Value (SEV)	Building Taxable Value	Land Assessed Value (SEV)	Land Taxable Value
06000408-9	1410 MICHIGAN AVE	\$ 20,400	\$ 4,021	\$ 58,800	\$ 11,590

This property meets the criteria set forth under PA 210 of 2005, as amended. It applies to a building or a group of contiguous buildings, a portion of a building or group of contiguous buildings previously used for commercial or industrial purposes, obsolete industrial property, and vacant property which, within the immediately preceding 15 years, was operating as a commercial business enterprise.

A review of the general plans, along with the criteria set forth under the Commercial Rehabilitation Act, indicated that the proposed project located at **1410 Michigan Avenue** is eligible as it pertains to the Commercial Rehabilitation certificate criteria under P.A. 210 of 2005, as amended.

Sincerely,

Charles Ericson, MMAO
Assessor, Board of Assessors



CITY OF DETROIT
OFFICE OF THE CHIEF FINANCIAL OFFICER
OFFICE OF THE ASSESSOR

COLEMAN A. YOUNG MUNICIPAL CENTER
2 WOODWARD AVENUE, SUITE 824
DETROIT, MICHIGAN 48226
(313) 224-3011 • TTY:711
(313) 224-9400
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- Commercial Rehabilitation Certificate
1400 Michigan Ave LLC
Page 2

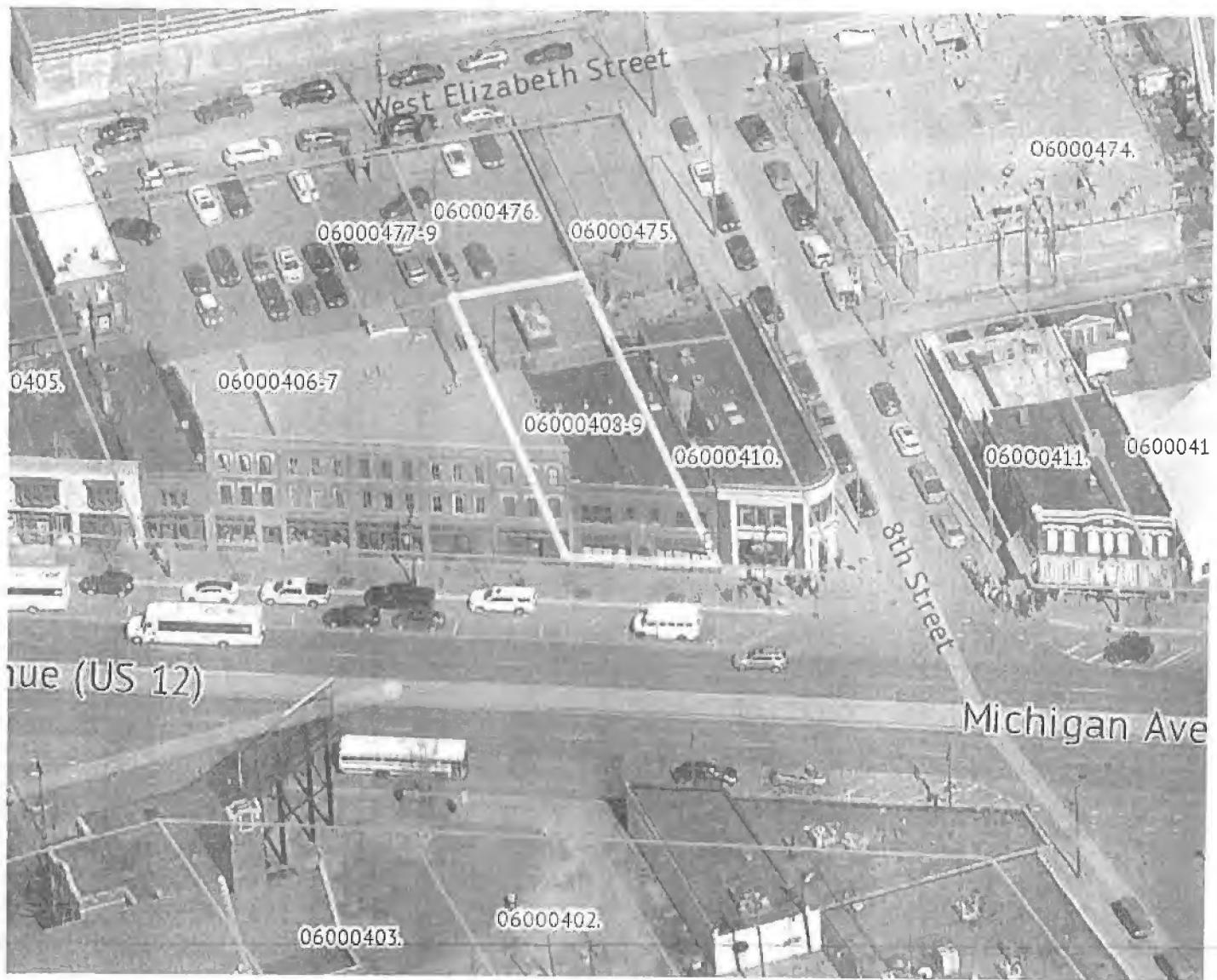
Property Owner: 1400 MICHIGAN AVE LLC

Property Address: 1410 MICHIGAN AVE

Parcel Number: 06000408-9

Legal Description: N MICHIGAN 1 EXC N 79 FT SUB OF PT WOODBRIDGE FARM L1 P105 PLATS, W C R 6/20 40.31 IRREG

The legal description on the assessment roll matches the legal description on the petition.





October 25, 2019

Katy Trudeau, Deputy Director
Planning & Development Department
Coleman A. Young Municipal Center
2 Woodward Ave, Suite 808
Detroit, MI 48226

RE: Commercial Rehabilitation Certificate – **1400 Michigan Ave LLC**
Property Address: 1416 Michigan Avenue
Parcels Number: 06000406-7

Dear Ms. Trudeau:

The Office of the Chief Financial Officer, Office of the Assessor, has reviewed the Commercial Rehabilitation certificate application for the properties located at **1416 Michigan Avenue** in the **Corktown** area in the City of Detroit.

The rationale for issuing Commercial Rehabilitation certificates under PA 210 of 2005, as amended, is based on the anticipation of increased market value upon completion of new construction and /or significant rehabilitation of existing commercial property and commercial housing property. Normal repair and maintenance are not assessed and do not necessarily generate additional market value.

The site presently consists of a mixed use apartment/retail building with 31,317 square feet built in 1888 on .431 acres of land. **1400 Michigan Ave LLC** proposes to rehabilitate the building including demolition and reconstruction of the interiors of the apartments and retail spaces to provide for a more open floor plan, new kitchen cabinets, appliances, lighting, flooring, bathroom upgrades, upgrade the HVAC system and update the exterior rear portion of the building for 8 retail spaces and 14 residential units. The project is expected to increase commercial activity in the area, create employment, retain employment, increase the number of residents in the community and revitalize the urban area.

The 2019 values are as follows:

Parcel #	Address	Building Assessed Value (SEV)	Building Taxable Value	Land Assessed Value (SEV)	Land Taxable Value
06000406-7	1416 MICHIGAN AVE	\$ 131,100	\$ 47,369	\$ 180,400	\$ 65,182

This property meets the criteria set forth under PA 210 of 2005, as amended. It applies to a building or a group of contiguous buildings, a portion of a building or group of contiguous buildings previously used for commercial or industrial purposes, obsolete industrial property, and vacant property which, within the immediately preceding 15 years, was operating as a commercial business enterprise.

A review of the general plans, along with the criteria set forth under the Commercial Rehabilitation Act, indicated that the proposed project located at **1416 Michigan Avenue** is eligible as it pertains to the Commercial Rehabilitation certificate criteria under P.A. 210 of 2005, as amended.

Sincerely,

Charles Ericson, MMAO
Assessor, Board of Assessors



Commercial Rehabilitation Certificate

1400 Michigan Ave LLC

Page 2

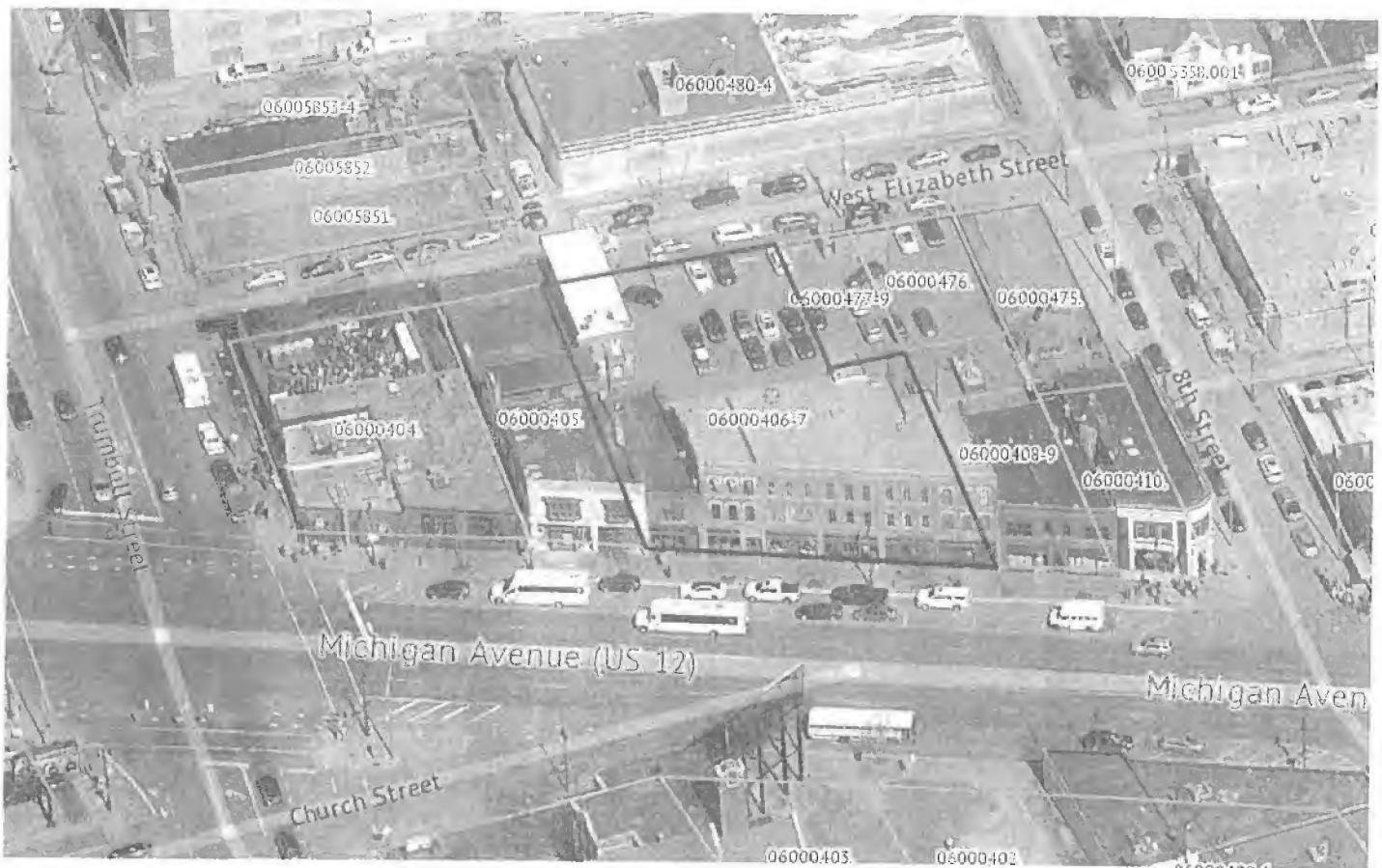
Property Owner: 1400 MICHIGAN AVE LLC

Property Address: 1416 MICHIGAN AVE

Parcel Number: 06000406-7

Legal Description: N MICHIGAN OL 86 LYN N OF & ADJ MICHIGAN AVE & S OF & ADJ ELIZABETH ST EXC E 27 FT OF N 80 FT BLK 86 WOODBRIDGE FARM L1 P146-7 PLATS, W C R 6/12 120.93 IRREG

The legal description on the assessment roll matches the legal description on the petition.





CITY OF DETROIT
HOUSING AND REVITALIZATION DEPARTMENT

COLEMAN A. YOUNG MUNICIPAL CENTER
2 WOODWARD AVENUE, SUITE 908
DETROIT, MICHIGAN 48226
(313) 224-6380 • TTY:711
(313) 224-1629
WWW.DETROITMI.GOV

15

November 1, 2019

Detroit City Council
1340 Coleman A. Young Municipal Center
Detroit, MI. 48226

RE: Request for Public Hearing regarding the Approval for an Industrial Facilities Exemption Certificate on behalf of Dakkota Integrated Systems, LLC in the general area of 6101 Van Dyke, Detroit, Michigan, in accordance with Public Act 198 of 1974. (Petition # 986)

Honorable City Council:

Representatives of the Planning and Development and Finance Departments have reviewed the above referenced petition of the following entity which requests City approval for an Industrial Facilities Exemption Certificate.

Based on discussions with company representatives and examination of the submitted application, we are convinced this company meets the criteria for tax relief as set forth by Public Act 198 of 1974 as amended.

COMPANY:	Dakkota Integrated Systems, LLC	
ADDRESS:	(Part of) 6101 Van Dyke	
LOCATED IN:	Detroit, Michigan 48214	
TYPE OF BUSINESS:	Industrial Development /Plant Rehabilitation District	
INVESTMENT AMOUNT:	Manufacturing	
	Real Property:	\$ <u>38,000,000</u>
	Personal Property:	\$ _____
	Total:	\$ <u>38,000,000</u>
EMPLOYMENT:	New hires:	<u>419</u>

We request that a Public Hearing be held for the purpose of considering City approval of an Industrial Facilities Exemption Certificate.

Respectfully submitted,



Donald Rencher
Director

DR/ml

cc: S. Washington, Mayor's Office
M. Cox, PDD
D. Rencher, HRD
M. Langston, HRD



BY COUNCILMEMBER

WHEREAS, pursuant to Act No. 198 of the Public Acts of 1974, as amended ("1974"), this City Council has the authority to establish "Industrial Development Districts" and "Plant Rehabilitation Districts" within the boundaries of the City of Detroit,

WHEREAS, Dakkota Integrated Systems, LLC has petitioned this City Council for the approval of an Industrial Facilities Exemption Certificate based upon said "districts" in the area of **6101 Van Dyke** in the City of Detroit (see attached Exhibit A for exact parcel list);

WHEREAS, Act 198 requires that prior to the approval of an Industrial Facilities Exemption Certificate, City Council shall provide an opportunity for a hearing on the approval of the Industrial Facilities Exemption Certificate at which, any representative of a taxing authority levying *ad valorem* taxes, or any resident or taxpayer of the City of Detroit may appear and be heard on the matter;

NOW THEREFORE BE IT

RESOLVED, that on the Fourteenth day of November, 2019, at _____ a.m., in the City Council Committee Room, 13th floor, Coleman A. Young Municipal Center, a Public Hearing be held on the approval of an Industrial Facilities Exemption Certificate on the property referred to above and more fully described in the application attached hereto; and be it finally,

RESOLVED, that the City Clerk will provide notice of the Public Hearing to the general public by publication, and shall give written notice by certified mail to the taxing authorities and to the owners of all real property within the proposed Development District.

November 1, 2019

Office of Detroit City Clerk
2 Woodward Avenue
Coleman A. Young Municipal Center
Suite 200
Detroit, MI 48226

***Re: Application for Industrial Facilities Tax Exemption Tax Certificate,
Dakkota Integrated Systems, L.L.C. (P.A. 198 of 1974)***

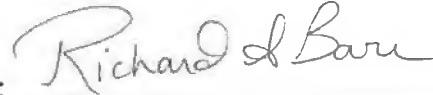
Ladies and Gentlemen:

Enclosed please find two copies of an Application for Industrial Facilities Tax Exemption Certificate from Dakkota Integrated Systems, L.L.C. pursuant to P.A. 198 of 1974 for a new manufacturing facility to be constructed on a portion of the former Kettering High School and Rose Elementary School in the vicinity of 6101 Van Dyke, south of I-94. The applicant intends to hire 419 employees at the new facility in 2020 and 2021. The City Council recently established an Industrial Development District for the entire former schools sites, a majority of which will be occupied by the proposed new Dakkota facility.

Thank you for your assistance.

Very truly yours,

HONIGMAN LLP

By: 

Richard A. Barr

Enc.

cc (w/enc.): Kenyetta Hairston-Bridges, DEGC

Application for Industrial Facilities Tax Exemption Certificate

Issued under authority of Public Act 198 of 1974, as amended. Filing is mandatory.

INSTRUCTIONS: File the original and one copy of this form and the required attachments (two complete sets) with the clerk of the local government unit. The State Tax Commission (STC) requires one complete set (one original). One copy is retained by the clerk. If you have any questions regarding the completion of this form, call 517-335-7460.

To be completed by Clerk of Local Government Unit	
Signature of Clerk	► Date Received by Local Unit
STC Use Only	
► Application Number	► Date Received by STC

APPLICANT INFORMATION

All boxes must be completed.

► 1a. Company Name (Applicant must be the occupant/operator of the facility) Dakkota Integrated Systems, LLC	► 1b. Standard Industrial Classification (SIC) Code - Sec 2(10) (4 or 6 Digit Code) 336330
► 1c. Facility Address (City, State, ZIP Code) (real and/or personal property location) TBD (currently part of 6101 Van Dyke, Detroit, MI 48214)	► 1d. City/Township/Village (Indicate which) Detroit
► 2. Type of Approval Requested	► 1e. County Wayne
<input checked="" type="checkbox"/> New (Sec. 2(5)) <input type="checkbox"/> Speculative Building (Sec. 3(8)) <input type="checkbox"/> Research and Development (Sec. 2(10))	<input type="checkbox"/> Transfer <input type="checkbox"/> Rehabilitation (Sec. 3(6)) <input type="checkbox"/> Increase/Amendment
► 3a. School District where facility is located Detroit P.S. Community	
► 3b. School Code 82010	
► 4. Amount of years requested for exemption (1-12 Years) 12 plus 1 year construction period	

5. Per section 5, the application shall contain or be accompanied by a general description of the facility and a general description of the proposed use of the facility, the general nature and extent of the restoration, replacement, or construction to be undertaken, a descriptive list of the equipment that will be part of the facility. Attach additional page(s) if more room is needed.

New approximately 300,000 square foot building and site improvements for intended use as an automotive parts assembly facility.

6a. Cost of land and building improvements (excluding cost of land)	► <u>38,000,000</u>
* Attach list of improvements and associated costs.	Real Property Costs
* Also attach a copy of building permit if project has already begun.	► Not included
6b. Cost of machinery, equipment, furniture and fixtures	Personal Property Costs
* Attach itemized listing with month, day and year of beginning of installation, plus total	► <u>38,000,000</u>
6c. Total Project Costs	Total of Real & Personal Costs
* Round Costs to Nearest Dollar	

7. Indicate the time schedule for start and finish of construction and equipment installation. Projects must be completed within a two year period of the effective date of the certificate unless otherwise approved by the STC.

Begin Date (M/D/Y)	End Date (M/D/Y)
Real Property Improvements ► <u>11/15/2019</u>	<u>12/31/2021</u> ► <input checked="" type="checkbox"/> Owned <input type="checkbox"/> Leased
Personal Property Improvements ► _____	► <input type="checkbox"/> Owned <input checked="" type="checkbox"/> Leased

► 8. Are State Education Taxes reduced or abated by the Michigan Economic Development Corporation (MEDC)? If yes, applicant must attach a signed MEDC Letter of Commitment to receive this exemption Yes No

► 9. No. of existing jobs at this facility that will be retained as a result of this project. ► 10. No. of new jobs at this facility expected to create within 2 years of completion.
0 419

11. Rehabilitation applications only: Complete a, b and c of this section. You must attach the assessor's statement of SEV for the entire plant rehabilitation district and obsolescence statement for property. The Taxable Value (TV) data below must be as of December 31 of the year prior to the rehabilitation.

a. TV of Real Property (excluding land)	_____
b. TV of Personal Property (excluding inventory)	_____
c. Total TV	_____

► 12a. Check the type of District the facility is located in:

Industrial Development District Plant Rehabilitation District

► 12b. Date district was established by local government unit (contact local unit)
09/24/2019

► 12c. Is this application for a speculative building (Sec. 3(8))?
 Yes No

APPLICANT CERTIFICATION - complete all boxes.

The undersigned, authorized officer of the company making this application certifies that, to the best of his/her knowledge, no information contained herein or in the attachments hereto is false in any way and that all are truly descriptive of the industrial property for which this application is being submitted.

It is further certified that the undersigned is familiar with the provisions of P.A. 198 of 1974, as amended, being Sections 207.551 to 207.572, inclusive, of the Michigan Compiled Laws; and to the best of his/her knowledge and belief, (s)he has compiled or will be able to comply with all of the requirements thereof which are prerequisite to the approval of the application by the local unit of government and the issuance of an Industrial Facilities Exemption Certificate by the State Tax Commission.

13a. Preparer Name Richard A. Barr	13b. Telephone Number (313) 465-7308	13c. Fax Number (313) 465-7309	13d. E-mail Address rbarr@honigman.com
14a. Name of Contact Person Richard A. Barr	14b. Telephone Number (313) 465-7308	14c. Fax Number (313) 465-7308	14d. E-mail Address rbarr@honigman.com
► 15a. Name of Company Officer (No Authorized Agents) Mark McCauley			
15b. Signature of Company Officer (No Authorized Agents)		15c. Fax Number	15d. Date 10/30/2019
15e. Mailing Address (Street, City, State, ZIP Code) 123 Brighton Lake Rd., Brighton, MI 48116		15f. Telephone Number (248) 766-1359	15g. E-mail Address Mark.McCauley@dakkotsyt

LOCAL GOVERNMENT ACTION & CERTIFICATION - complete all boxes.

This section must be completed by the clerk of the local governing unit before submitting application to the State Tax Commission. Check items on file at the Local Unit and those included with the submittal.

► 16. Action taken by local government unit <input type="checkbox"/> Abatement Approved for _____ Yrs Real (1-12), _____ Yrs Pers (1-12) After Completion <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Denied (Include Resolution Denying)	16b. The State Tax Commission Requires the following documents be filed for an administratively complete application: Check or Indicate N/A If Not Applicable <input checked="" type="checkbox"/> 1. Original Application plus attachments, and one complete copy <input checked="" type="checkbox"/> 2. Resolution establishing district <input checked="" type="checkbox"/> 3. Resolution approving/denying application. <input checked="" type="checkbox"/> 4. Letter of Agreement (Signed by local unit and applicant) <input checked="" type="checkbox"/> 5. Affidavit of Fees (Signed by local unit and applicant) <input type="checkbox"/> 6. Building Permit for real improvements if project has already begun <input type="checkbox"/> 7. Equipment List with dates of beginning of installation <input type="checkbox"/> 8. Form 3222 (if applicable) <input type="checkbox"/> 9. Speculative building resolution and affidavits (if applicable)
16a. Documents Required to be on file with the Local Unit Check or Indicate N/A If Not Applicable <input checked="" type="checkbox"/> 1. Notice to the public prior to hearing establishing a district. <input checked="" type="checkbox"/> 2. Notice to taxing authorities of opportunity for a hearing. <input checked="" type="checkbox"/> 3. List of taxing authorities notified for district and application action. <input type="checkbox"/> 4. Lease Agreement showing applicants tax liability.	16c. School Code 82010
17. Name of Local Government Body City of Detroit City Council	► 18. Date of Resolution Approving/Denying this Application

Attached hereto is an original application and all documents listed in 16b. I also certify that all documents listed in 16a are on file at the local unit for inspection at any time, and that any leases show sufficient tax liability.

19a. Signature of Clerk	19b. Name of Clerk	19c. E-mail Address
19d. Clerk's Mailing Address (Street, City, State, ZIP Code)		
19e. Telephone Number	19f. Fax Number	

State Tax Commission Rule Number 57: Complete applications approved by the local unit and received by the State Tax Commission by October 31 each year will be acted upon by December 31. Applications received after October 31 may be acted upon in the following year.

Local Unit: Mail one original of the completed application and all required attachments to:

**Michigan Department of Treasury
State Tax Commission
PO Box 30471
Lansing, MI 48909**

(For guaranteed receipt by the STC, it is recommended that applications are sent by certified mail.)

STC USE ONLY				
► LUCI Code	► Begin Date Real	► Begin Date Personal	► End Date Real	► End Date Personal

Attachments to Form 1012
Application for Industrial Facilities Tax Exemption Certificate
Dakkota Integrated Systems, LLC

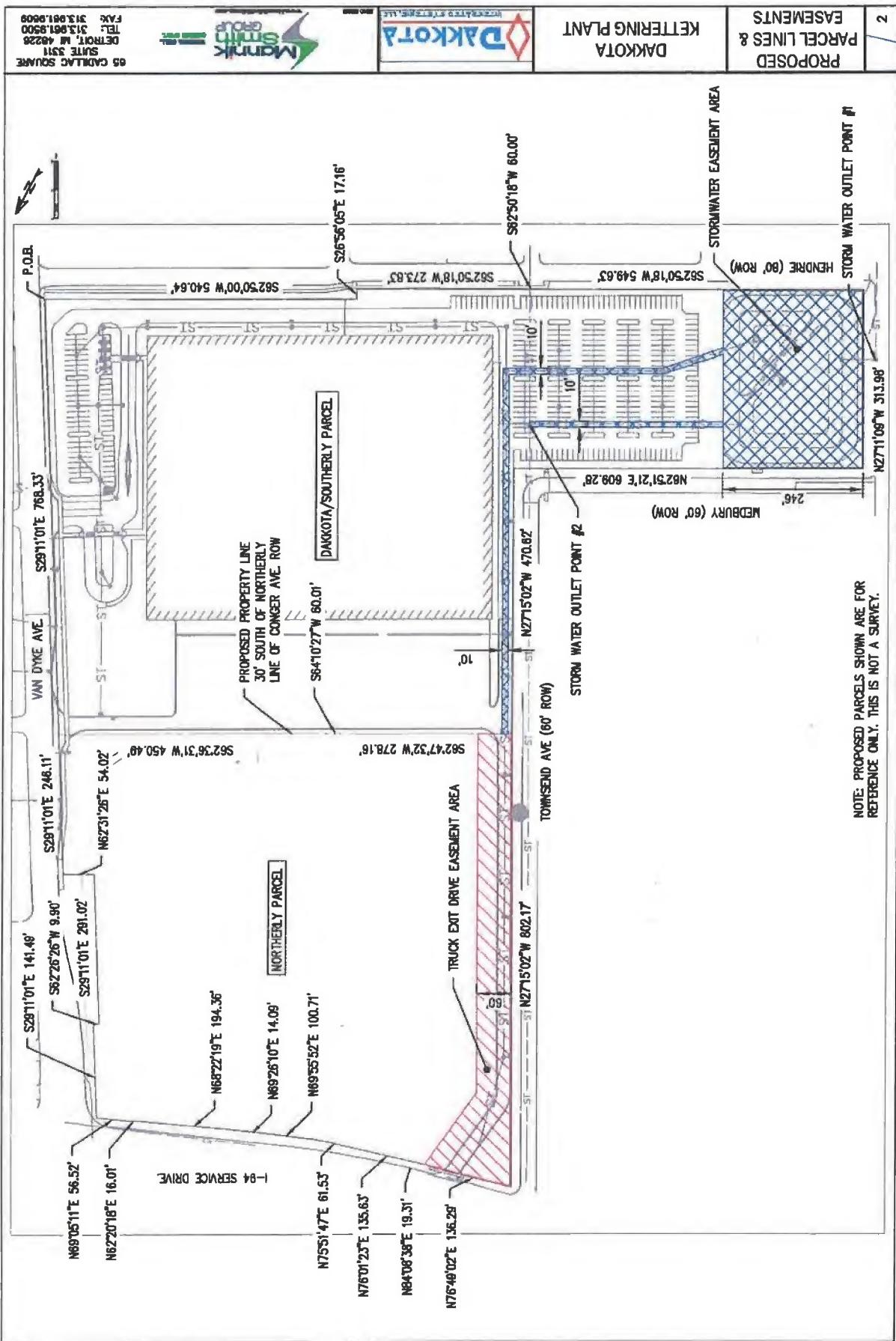
1. Legal Description of Facility
2. Depiction of Facility Parcel
3. Estimated Cost of Real Property Improvements
4. Building Permit (not applicable; construction not commenced as of the date of filing)
5. Tax Abatement Agreement

Legal Description of Facility

Dakkota Parcel Legal Description

Land in the City of Detroit, Wayne County, Michigan, described as follows:

PART OF POTTER'S SUBDIVISION OF THE EAST PART OF P.C. 390, NORTH OF GRATIOT AVE ., ACCORDING TO THE PLAT THEREOF AS RECORDED IN LIBER 13 OF PLATS, PAGE 92, AND PART OF GEO. H. MARTZ'S SUBDIVISION OF THE WEST PART OF P.C. 390, ACCORDING TO THE PLAT THEREOF AS RECORDED IN LIBER 14 OF PLATS, PAGE 5, AND PART OF WILLIAMS TAITS SUBDIVISION OF PART OF CHURCH FARM (P.C. 16) NORTH OF GRATIOT AVE., ACCORDING TO THE PLAT THEREOF AS RECORDED IN LIBER 16 OF PLATS, PAGE 87 IN THE CITY OF DETROIT, WAYNE COUNTY, MICHIGAN AND BEING DESCRIBED BY METES AND BOUNDS AS FOLLOWS: BEGINNING AT THE SOUTHEAST CORNER OF LOT 115 OF SAID POTTER'S SUBDIVISION; THENCE SOUTH 62 DEGREES 50 MINUTES 00 SECONDS WEST 540.64 FEET ALONG THE NORTHERLY RIGHT-OF-WAY LINE OF HENDRIE BOULEVARD (80.00 FEET WIDE); THENCE SOUTH 26 DEGREES 56 MINUTES 05 SECONDS EAST 17.16 FEET ALONG THE WESTERLY RIGHT-OF-WAY LINE OF BALDWIN AVENUE (60.00 FEET WIDE); THENCE SOUTH 62 DEGREES 50 MINUTES 18 SECONDS WEST 883.46 FEET ALONG THE NORTHERLY RIGHT-OF-WAY LINE OF HENDRIE AVENUE (60.00 FEET WIDE); THENCE NORTH 27 DEGREES 11 MINUTES 09 SECONDS WEST 313.98 FEET ALONG THE EASTERLY RIGHT-OF-WAY LINE OF FIELD AVENUE (66.00 FEET WIDE); THENCE NORTH 62 DEGREES 51 MINUTES 21 SECONDS EAST 609.28 FEET ALONG THE SOUTHERLY RIGHT-OF-WAY LINE OF MEDBURY AVENUE (60.00 FEET WIDE); THENCE NORTH 27 DEGREES 15 MINUTES 02 SECONDS WEST 470.62 FEET ALONG THE EASTERLY RIGHT-OF-WAY LINE OF TOWNSEND AVENUE (60.00 FEET WIDE); THENCE NORTH 62 DEGREES 47 MINUTES 32 SECONDS EAST 278.16 FEET; THENCE NORTH 64 DEGREES 10 MINUTES 27 SECONDS EAST 60.01 FEET; THENCE NORTH 62 DEGREES 36 MINUTES 31 SECONDS EAST 450.49 FEET ALONG A LINE PARALLEL WITH AND 30 FEET SOUTHERLY OF THE NORTHERLY LINE OF CONGER AVENUE (60.00 FEET WIDE); THENCE SOUTH 29 DEGREES 11 MINUTES 01 SECOND EAST 768.33 FEET TO THE POINT OF BEGINNING.



NOTE: PROPOSED PARCELS SHOWN ARE FOR
REFERENCE ONLY. THIS IS NOT A SURVEY.

Estimated Cost of Real Property Improvements

Site Improvements	\$7,500,000
Building construction	<u>\$30,500,000</u>
Total	\$38,000,000

Building Permit

Not yet issued.

Tax Abatement Agreement

To Be Attached.

Instruction for Completing Form 1012, Industrial Facilities Tax Exemption (IFT) Application

The completed original application form 1012 and all required attachments, **MUST** be filed with the clerk of the local unit of government where the facility is or will be located. Complete applications must be received by the State Tax Commission by October 31 to ensure processing and certification for the following tax year. Applications received after the October 31 deadline will be processed as expeditiously as possible.

Please note that attachments listed on the application in number 16a are to be retained by the local unit of government, and attachments listed in number 16b are to be included with the application when forwarding to the State Tax Commission (STC).

(Before commencement of a project the local unit of government must establish a district, or the applicant must request in writing a district be established, in order to qualify for an IFT abatement. Applications and attachments must be received by the local unit of government **within six months of commencement of project.**)

The following information is required on separate documents attached to form 1012 by the applicant and provided to the local unit of government (city, township or village). (Providing an accurate school district where the facility is located is vital.):

1. Legal description of the real property on which the facility is or will be located. Also provide property identification number if available.
2. Personal Property Requirements: Complete list of new machinery, equipment, furniture and fixtures which will be used in the facility. The list should include description, **beginning date of installation** or expected installation by month/day/year, and costs or expected costs (see sample). Detail listing of machinery and equipment **must match amount shown** on question 6b of the application. Personal property applications must have attached a certified statement/affidavit as proof of the beginning date of installation (see sample).
3. Real Property Requirements: Proof of date the construction started (groundbreaking). Applicant must include one of the following if the project has already begun; building permit, footings inspection report, or certified statement/affidavit from contractor indicating exact date of commencement.
4. Complete copy of lease agreement as executed, if applicable, verifying lessee (applicant) has direct ad

valorem real and/or personal property tax liability. The applicant must have real and/or personal property tax liability to qualify for an IFT abatement on leased property. If applying for a real property tax exemption on leased property, the lease must run the full length of time the abatement is granted by the local unit of government. Tax liability for leased property should be determined before sending to the STC.

The following information is required of the local unit of government: [Please note that only items 2, 4, 5, 6, & 7 below are forwarded to the State Tax Commission with the application, along with items 2 & 3 from above. The original is required by the STC. The remaining items are to be retained at the local unit of government for future reference. **(The local unit must verify that the school district listed on all IFT applications is correct.)**]

1. A copy of the notice to the general public and the certified notice to the property owners concerning the establishment of the district.
2. **Certified copy of the resolution establishing the Industrial Development District (IDD) or Plant Rehabilitation District (PRD), which includes a legal description of the district (see sample).** If the district was not established prior to the commencement of construction, the local unit shall include a certified copy or date stamped copy of the written request to establish the district.
3. Copy of the notice and the certified letters to the taxing authorities regarding the hearing to approve the application.
4. **Certified copy of the resolution approving the application.** The resolution must include the number of years the local unit is granting the abatement and the statement "the granting of the Industrial Facilities Exemption Certificate shall not have the effect of substantially impeding the operation of (governmental unit), or impairing the financial soundness of a taxing unit which levies ad valorem property taxes in (governmental unit – see sample).
5. **Letter of Agreement (signed by the local unit of government and the applicant per P.A. 334 of 1993 (see sample)).**
6. **Affidavit of Fees (signed by the local unit of government and the applicant), (Bulletin 3, January 16, 1998).** This statement may be

incorporated into the Letter of Agreement (see sample).

7. Treasury Form 3222 (if applicable - *Fiscal Statement for Tax Abatement Request.*)

The following information is required for rehabilitation applications in addition to the above requirements:

1. A listing of existing machinery, equipment, furniture and fixtures which will be replaced or renovated. This listing should include description, beginning date of installation or expected installation by month/day/year, and costs or expected costs.
2. A rehabilitation application must include a statement from the Assessor showing the taxable valuation of the plant rehabilitation district, separately stated for real property (EXCLUDING LAND) and personal property. Attach a statement from the assessor indicating the obsolescence of the property being rehabilitated.

The following information is required for speculative building applications in addition to the above requirements:

1. A certified copy of the resolution to establish a speculative building.
2. A statement of non-occupancy from the owner and the assessor.

Please refer to the following Web site for P.A. 198 of 1974: www.legislature.mi.gov/. For more information and Frequently Asked Questions, visit www.michigan.gov/propertytaxexemptions.

For guaranteed receipt by the State Tax Commission, it is recommended that applications and attachments are sent by certified mail.



CITY OF DETROIT
PLANNING AND DEVELOPMENT DEPARTMENT

COLEMAN A. YOUNG MUNICIPAL CENTER
2 WOODWARD AVE SUITE 808
DETROIT, MICHIGAN 48226
(313) 224-1339 . TTY: 711
(313) 224-1310
WWW.DETROITMI.GOV

TO: Matthew Langston, Housing and Revitalization
FROM: Esther Yang, Planning and Development
RE: Master Plan Interpretation for Industrial Development District Exemption Certificate
(PA 198); Associated to Petition #986
DATE: November 1, 2019
CC: Katherine Trudeau, Deputy Director, Planning and Development
Alexa Bush, PDD East, Planning and Development

In order to ensure consistency with the City's Master Plan of Policies, pursuant to State of Michigan, Public Act 198 of 1974 (section 207.555), the Planning and Development Department's Planning Division submits the following interpretation for an **exemption certificate within an Industrial Development District (IDD)**. The Petitioner is the Dakkota Integrated Systems, LLC.

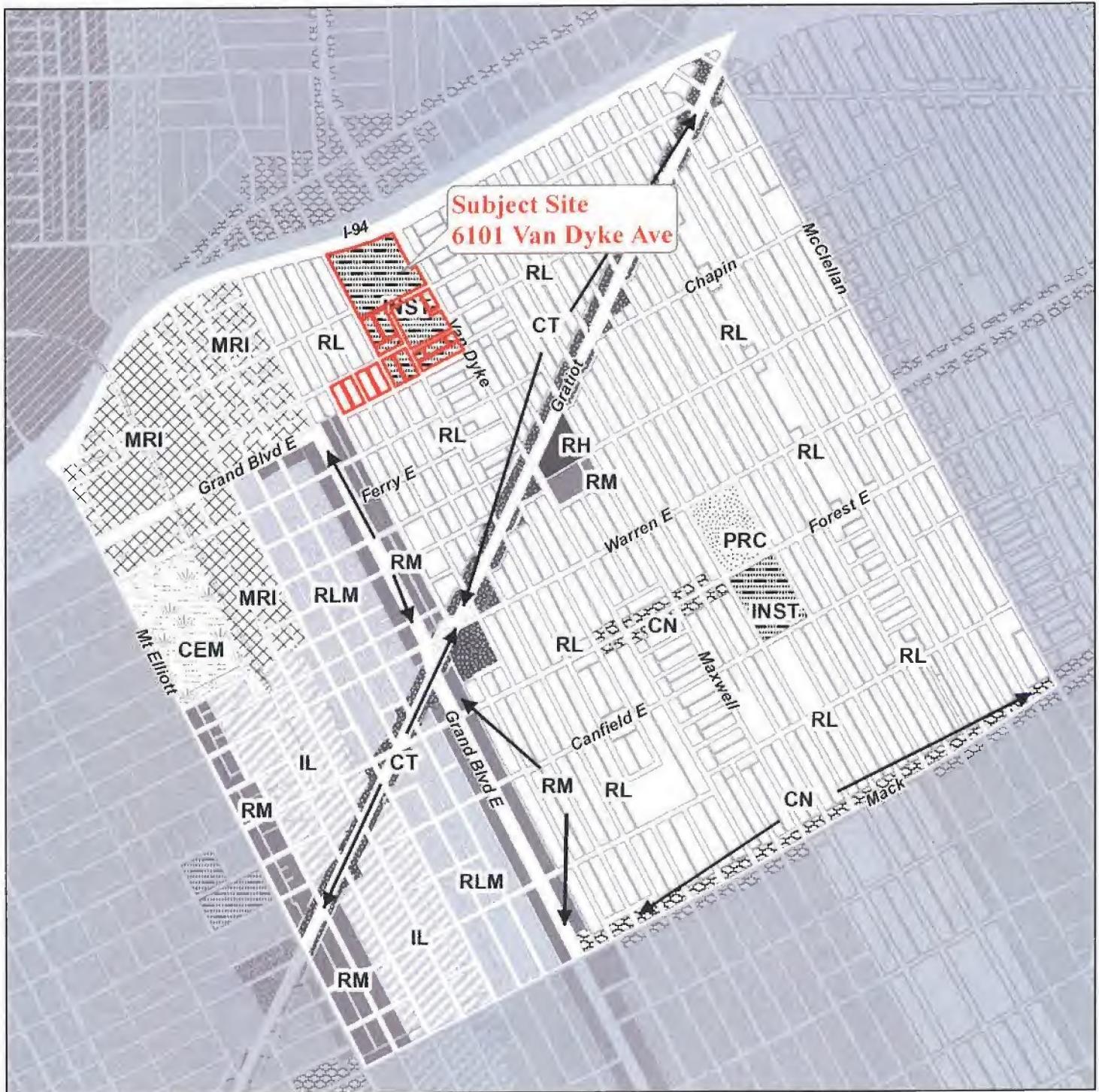
Project Proposal: Project seeks to develop a 300,000 square foot new construction building and conduct site improvements for an automotive parts assembly facility.

Master Plan Interpretation

The subject site is designated as **Institutional (INST)**. Institutional status applies to areas of approximately 10 acres or more with educational, religious, health or public uses, including: churches, libraries, museums, public or private schools, hospitals, or government building, structure or land used for public purposes.

While the Master Plan Future Land Use map shows institutional uses for the subject area, the closing of the school makes this future use very unlikely. **This proposed development does not conform to the current Future General Land Use characteristics of the area and will trigger a future amendment of the Master Plan of Policies.**

Attachment: Future General Land Use Maps: Neighborhood Cluster 3, Kettering; Map 3-8B



Map 3-8B

Neighborhood Cluster 3 Kettering



City of Detroit
Master Plan of
Policies

Future Land Use

Low Density Residential (RL)	Thoroughfare Commercial (CT)	Mixed - Town Center (MTC)
Low / Medium Density Residential (RLM)	Special Commercial (CS)	Recreation (PRC)
Medium Density Residential (RM)	General Industrial (IG)	Regional Park (PR)
High Density Residential (RH)	Light Industrial (IL)	Private Marina (PRM)
Major Commercial (CM)	Distribution / Port Industrial (IDP)	Airport (AP)
Retail Center (CRC)	Mixed - Residential / Commercial (MRC)	Cemetery (CEM)
Neighborhood Commercial (CN)	Mixed - Residential / Industrial (MRI)	Institutional (INST)

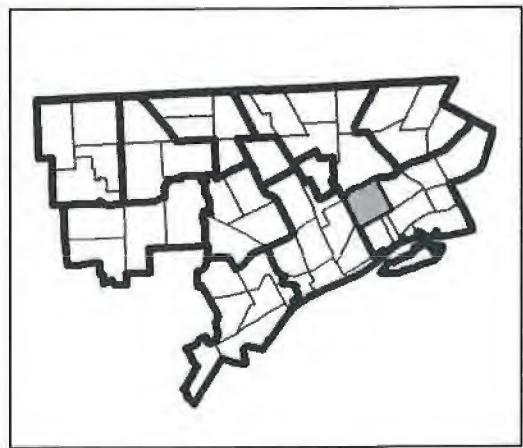


Exhibit A

Tax Parcels Listing for 19 Acres of Former Kettering High School Property

1. Tax Item Number: 000848/Ward 17
7701 Hendrie, Detroit, MI 48213
Affects: Lot 128
2. Tax Item Number: 000849/Ward 17
7707 Hendrie, Detroit, MI 48213
Affects: Lot 129
3. Tax Item Number: 000850/Ward 17
7713 Hendrie, Detroit, MI 48213
Affects: Lot 130
4. Tax Item Number: 000852/Ward 17
7725 Hendrie, Detroit, MI 48213
Affects: Lot 132
5. Tax Item Number: 000853/Ward 17
7731 Hendrie, Detroit, MI 48213
Affects: Lot 133
6. Tax Item Number: 000854/Ward 17
7737 Hendrie, Detroit, MI 48213
Affects: Lot 134
7. Tax Item Number: 000855/Ward 17
7747 Hendrie, Detroit, MI 48213
Affects: Lot 123
8. Tax Item Number: 000856/Ward 17
7749 Hendrie, Detroit, MI 48213
Affects: Lot 122
9. Tax Item Number: 000857/Ward 17
7755 Hendrie, Detroit, MI 48213
Affects: Lot 121
10. Tax Item Number: 000858/Ward 17
7761 Hendrie, Detroit, MI 48213
Affects: Lot 120
11. Tax Item Number: 000859/Ward 17
7767 Hendrie, Detroit, MI 48213
Affects: Lot 119
12. Tax Item Number: 000860/Ward 17
7773 Hendrie, Detroit, MI 48213
Affects: Lot 118
13. Tax Item Number: 000861/Ward 17
7779 Hendrie, Detroit, MI 48213
Affects: Lot 117
14. Tax Item Number: 000886/Ward 17
7766 Medbury, Detroit, MI 48213
Affects: Lot 111
15. Tax Item Number: 000887/Ward 17
7760 Medbury, Detroit, MI 48200
Affects: Lot 110

16. Tax Item Number: 000888/Ward 17
7754 Medbury, Detroit, MI 48213
Affects: Lot 109
17. Tax Item Number: 000890/Ward 17
7736 Medbury, Detroit, MI 48213
Affects: Lot 121
18. Tax Item Number: 000891/Ward 17
7734 Medbury, Detroit, MI 48213
Affects: Lot 122
19. Tax Item Number: 000892/Ward 17
7730 Medbury, Detroit, MI 48213
Affects: Lot 123
20. Tax Item Number: 000893/Ward 17
7724 Medbury, Detroit, MI 48213
Affects: Lot 124
21. Tax Item Number: 000895/Ward 17
7617 Medbury, Detroit, MI 48213
Affects: Lot 538
22. Tax Item Number: 000896/Ward 17
7623 Medbury, Detroit, MI 48213
Affects: Lot 537
23. Tax Item Number: 000897/Ward 17
7629 Medbury, Detroit, MI 48213
Affects: Lot 536
24. Tax Item Number: 000898/Ward 17
7635 Medbury, Detroit, MI 48213
Affects: Lot 535
25. Tax Item Number: 000899/Ward 17
7641 Medbury, Detroit, MI 48213
Affects: Lot 534
26. Tax Item Number: 000900-7/Ward 17
7647 Medbury, Detroit, MI 48213
Affects: Lot 533 and 532
27. Tax Item Number: 010044/Ward 17
5931 Van Dyke, Detroit, MI 48213
Affects: South 11/2 feet to Lots 80 and 81
28. Tax Item Number: 010045/Ward 17
5925 Van Dyke, Detroit, MI 48213
Affects: Lot 82
29. Tax Item Number: 010053/Ward 17
5837 Van Dyke, Detroit, MI 48213
Affects: Lot 112
30. Tax Item Number: 010054/Ward 17
5831 Van Dyke, Detroit, MI 48213
Affects: Lot 113
31. Tax Item Number: 010055/Ward 17
5825 Van Dyke, Detroit, MI 48213
Affects: Lot 114
32. Tax Item Number: 010056/Ward 17

5805 Van Dyke, Detroit, MI 48213
Affects: Lots 116 & 115

33. Tax Item Number: 011352/Ward 17
5824 Baldwin, Detroit, MI 48213
Affects: Lot 127
34. Tax Item Number: 011353/Ward 17
5830 Baldwin, Detroit, MI 48213
Affects: Lot 126
35. Tax Item Number: 011354/Ward 17
5842 Baldwin, Detroit, MI 48213
Affects: Lot 125
36. Tax Item Number: 011355-428/Ward 17
5850 Baldwin, Detroit, MI 48213
Affects: Lots 91 Thru 120, 76 Thru 79 and 87 Thru 106
37. Tax Item Number: 011429/Ward 17
5977 Baldwin, Detroit, MI 48213
Affects: Lot 512
38. Tax Item Number: 011430/Ward 17
5973 Baldwin, Detroit, MI 48213
Affects: Lot 515
39. Tax Item Number: 011431/Ward 17
5969 Baldwin, Detroit, MI 48213
Affects: Lot 516
40. Tax Item Number: 011432/Ward 17
5963 Baldwin, Detroit, MI 48213
Affects: Lot 519
41. Tax Item Number: 011433/Ward 17
5957 Baldwin, Detroit, MI 48213
Affects: Lot 520
42. Tax Item Number: 011434/Ward 17
5951 Baldwin, Detroit, MI 48213
Affects: Lot 523
43. Tax Item Number: 011435/Ward 17
5945 Baldwin, Detroit, MI 48213
Affects: Lot 524
44. Tax Item Number: 011436/Ward 17
5935 Baldwin, Detroit, MI 48213
Affects: Lot 527
45. Tax Item Number: 011437/Ward 17
5929 Baldwin, Detroit, MI 48213
Affects: Lot 528
46. Tax Item Number: 011438/Ward 17
5921 Baldwin, Detroit, MI 48213
Affects: Lot 531
47. Tax Item Number: 011439.001/Ward 17
5859 Baldwin, Detroit, MI 48213
Affects: Lot 672
48. Tax Item Number: 011439.002L/Ward 17
5853 Baldwin, Detroit, MI 48213
Affects: Lot 671

49. Tax Item Number: 011440.001/Ward 17
7638 Medbury, Detroit, MI 48213
Affects: East 39 feet of West 66 feet of Lots 672 and 671
50. Tax Item Number: 011440.002L/Ward 17
7630 Medbury, Detroit, MI 48213
Affects: West 27 feet of Lots 672 and 671
51. Tax Item Number: 011441/Ward 17
5849 Baldwin, Detroit, MI 48213
Affects: Lot 670
52. Tax Item Number: 011442/Ward 17
5843 Baldwin, Detroit, MI 48213
Affects: Lot 669
53. Tax Item Number: 011443/Ward 17
5835 Baldwin, Detroit, MI 48213
Affects: Lot 668
54. Tax Item Number: 011444/Ward 17
5829 Baldwin, Detroit, MI 48213
Affects: Lot 667
55. Tax Item Number: 011445/Ward 17
5823 Baldwin, Detroit, MI 48213
Affects: Lot 666
56. Tax Item Number: 011446/Ward 17
5817 Baldwin, Detroit, MI 48213
Affects: Lot 665
57. Tax Item Number: 011447/Ward 17
5811 Baldwin, Detroit, MI 48213
Affects: Lot 664
58. Tax Item Number: 012131/Ward 17
5802 Townsend, Detroit, MI 48213
Affects: Lot 550
59. Tax Item Number: 012132/Ward 17
5810 Townsend, Detroit, MI 48213
Affects: Lot 549
60. Tax Item Number: 012133/Ward 17
5816 Townsend, Detroit, MI 48213
Affects: Lot 548
61. Tax Item Number: 012134/Ward 17
5822 Townsend, Detroit, MI 48213
Affects: Lot 547
62. Tax Item Number: 012135/Ward 17
5828 Townsend, Detroit, MI 48213
Affects: Lot 546
63. Tax Item Number: 012136/Ward 17
5834 Townsend, Detroit, MI 48213
Affects: Lot 545
64. Tax Item Number: 012137/Ward 17
5840 Townsend, Detroit, MI 48213
Affects: Lot 544

65. Tax Item Number: 012138/Ward 17
5846 Townsend, Detroit, MI 48213
Affects: Lot 543
66. Tax Item Number: 012139/Ward 17
5852 Townsend, Detroit, MI 48213
Affects: Lot 542
67. Tax Item Number: 012140/Ward 17
5858 Townsend, Detroit, MI 48213
Affects: Lot 541
68. Tax Item Number: 012141/Ward 17
5922 Townsend, Detroit, MI 48213
Affects: Lot 530
69. Tax Item Number: 012142/Ward 17
5930 Townsend, Detroit, MI 48213
Affects: Lot 529
70. Tax Item Number: 012143/Ward 17
5936 Townsend, Detroit, MI 48213
Affects: Lot 526
71. Tax Item Number: 012144/Ward 17
5942 Townsend, Detroit, MI 48213
Affects: Lot 525
72. Tax Item Number: 012145/Ward 17
5948 Townsend, Detroit, MI 48213
Affects: Lot 522
73. Tax Item Number: 012146/Ward 17
5954 Townsend, Detroit, MI 48213
Affects: Lot 521
74. Tax Item Number: 012147/Ward 17
5960 Townsend, Detroit, MI 48213
Affects: Lot 518
75. Tax Item Number: 012148/Ward 17
5966 Townsend, Detroit, MI 48213
Affects: Lot 517
76. Tax Item Number: 012149-71/Ward 17
5976 Townsend, Detroit, MI 48213
Affects: Lots 514 and 513
77. Tax Item Number: 011448/Ward 17
5803 Baldwin, Detroit, MI 48213
Affects: Lot 663
78. Tax Item Number: 000894/Ward 17
5904 Medbury, Detroit, MI 48213
Affects: Lots 540 and 539
79. Tax Item Number: 000889/Ward 17
7744 Medbury, Detroit, MI 48213
Affects: West 19.64 feet Lots 108 and 107
80. Tax Item Number: 010046-52/Ward 17
5905 Van Dyke, Detroit, MI 48213
Affects: Lot 83
81. Tax Item Number: 000851/Ward 17

7719 Hendrie, Detroit, MI 48213

Affects: Lot 131

82. Tax Item Number: 013777-86/Ward 17
5830 Field, Detroit, MI 48213
Affects: Lots 62 thru 81, 204 thru 213, 349 thru 340 and South 0.89 feet 341
83. Tax Item Number: 012229/Ward 17
5859 Townsend, Detroit, MI 48213
Affects: Lot 349
84. Tax Item Number: 012230/Ward 17
5853 Townsend, Detroit, MI 48213
Affects: Lot 348
85. Tax Item Number: 012231/Ward 17
5847 Townsend, Detroit, MI 48213
Affects: Lot 347
86. Tax Item Number: 012232/Ward 17
5841 Townsend, Detroit, MI 48213
Affects: Lot 346 and North 14.11 feet of 345
87. Tax Item Number: 012233/Ward 17
5835 Townsend, Detroit, MI 48213
Affects: South 15.89 feet of Lot 345 and North 14.11 feet of Lot 344
88. Tax Item Number: 012234/Ward 17
5827 Townsend, Detroit, MI 48213
Affects: South 15.89 feet of Lot 344 and North 14.11 feet of Lot 343
89. Tax Item Number: 012235/Ward 17
5821 Townsend, Detroit, MI 48213
Affects: South 15.89 feet of Lot 343 and North 14.11 feet of Lot 342
90. Tax Item Number: 012236.002L/Ward 17
5803 Townsend, Detroit, MI 48213
Affects: South 0.89 feet of Lot 341 and 340
91. Tax Item Number: 013022/Ward 17
5802 Sheridan, Detroit, MI 48213
Affects: Lot 213
92. Tax Item Number: 013023/Ward 17
5810 Sheridan, Detroit, MI 48213
Affects: Lot 212
93. Tax Item Number: 013024/Ward 17
5816 Sheridan, Detroit, MI 48213
Affects: Lot 211
94. Tax Item Number: 013025/Ward 17
5822 Sheridan, Detroit, MI 48213
Affects: Lot 210
95. Tax Item Number: 013026/Ward 17
5828 Sheridan, Detroit, MI 48213
Affects: Lot 209
96. Tax Item Number: 013027/Ward 17
5834 Sheridan, Detroit, MI 48213
Affects: Lot 208
97. Tax Item Number: 013028/Ward 17
5840 Sheridan, Detroit, MI 48213

Affects: Lot 207

98. Tax Item Number: 013029/Ward 17
5846 Sheridan, Detroit, MI 48213
Affects: Lot 206
99. Tax Item Number: 013030/Ward 17
5852 Sheridan, Detroit, MI 48213
Affects: Lot 205
100. Tax Item Number: 013031/Ward 17
5858 Sheridan, Detroit, MI 48213
Affects: Lot 204
101. Tax Item Number: 013146/Ward 17
5859 Sheridan, Detroit, MI 48213
Affects: Lot 81
102. Tax Item Number: 013147/Ward 17
5853 Sheridan, Detroit, MI 48213
Affects: Lot 80
103. Tax Item Number: 013148/Ward 17
5847 Sheridan, Detroit, MI 48213
Affects: Lot 79
104. Tax Item Number: 013149/Ward 17
5841 Sheridan, Detroit, MI 48213
Affects: Lot 78
105. Tax Item Number: 013150/Ward 17
5835 Sheridan, Detroit, MI 48213
Affects: Lot 77
106. Tax Item Number: 013151/Ward 17
5829 Sheridan, Detroit, MI 48213
Affects: Lot 76
107. Tax Item Number: 013152/Ward 17
5823 Sheridan, Detroit, MI 48213
Affects: Lot 75
108. Tax Item Number: 013153/Ward 17
5817 Sheridan, Detroit, MI 48213
Affects: Lot 74
109. Tax Item Number: 013154/Ward 17
5811 Sheridan, Detroit, MI 48213
Affects: Lot 73
110. Tax Item Number: 013155/Ward 17
5805 Sheridan, Detroit, MI 48213
Affects: Lot 72
111. Tax Item Number: 013777/Ward 17
5802 Field, Detroit, MI 48213
Affects: Lot 71
112. Tax Item Number: 013778/Ward 17
5810 Field, Detroit, MI 48213
Affects: Lot 70
113. Tax Item Number: 013779/Ward 17
5816 Field, Detroit, MI 48213
Affects: Lot 69

114. Tax Item Number: 013780/Ward 17
5822 Field, Detroit, MI 48213
Affects: Lot 68
115. Tax Item Number: 013781/Ward 17
5828 Field, Detroit, MI 48213
Affects: Lot 67
116. Tax Item Number: 013782/Ward 17
5834 Field, Detroit, MI 48213
Affects: Lot 66
117. Tax Item Number: 013783/Ward 17
5840 Field, Detroit, MI 48213
Affects: Lot 65
118. Tax Item Number: 013784/Ward 17
5846 Field, Detroit, MI 48213
Affects: Lot 64
119. Tax Item Number: 013785/Ward 17
5854 Field, Detroit, MI 48213
Affects: Lot 63
120. Tax Item Number: 013786/Ward 17
5858 Field, Detroit, MI 48213
Affects: Lot 62

See attached Exhibit B for a legal description of all combined parcels with corresponding map

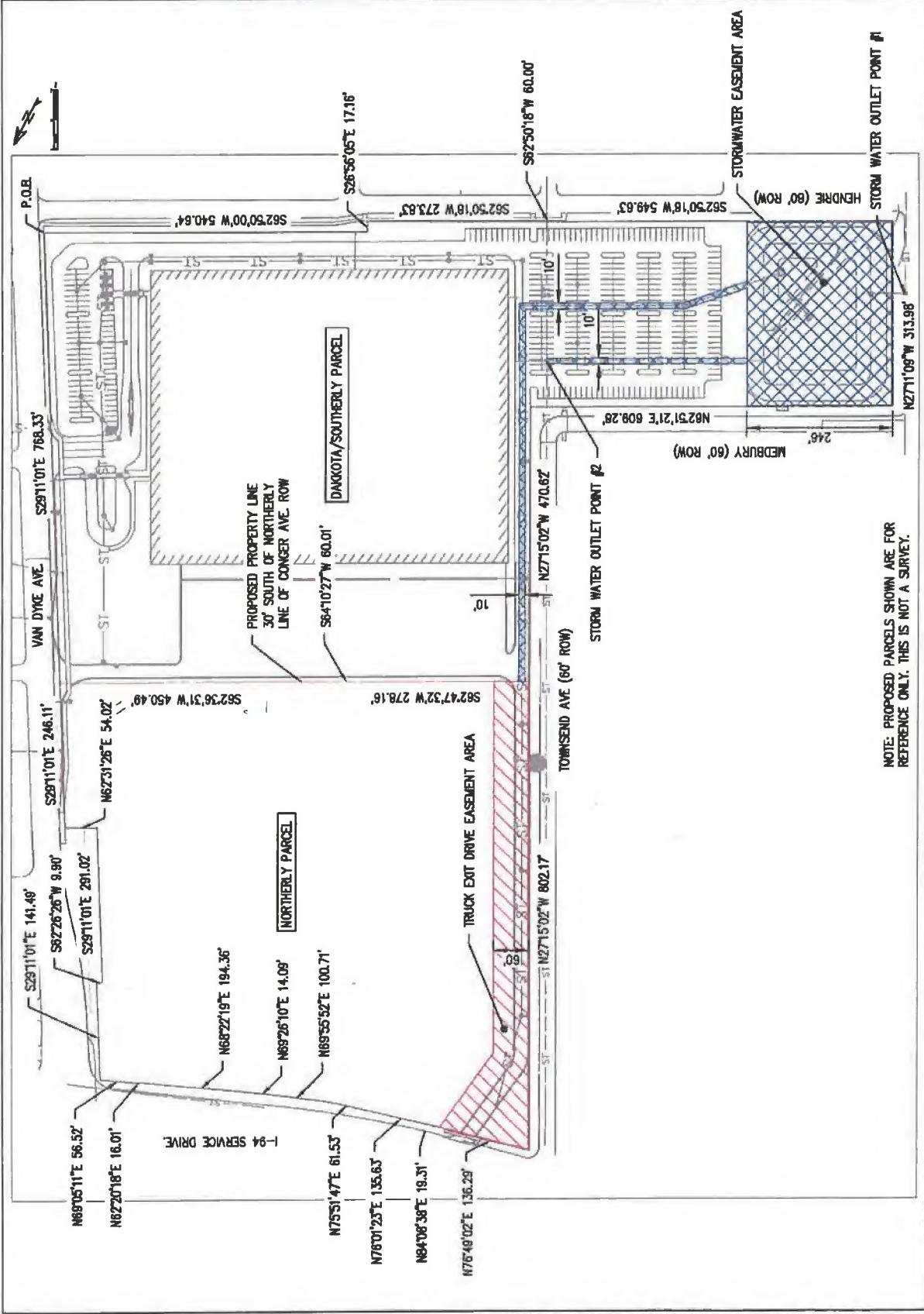
Exhibit B

Legal Description of Facility

Dakkota Parcel Legal Description

Land in the City of Detroit, Wayne County, Michigan, described as follows:

PART OF POTTER'S SUBDIVISION OF THE EAST PART OF P.C. 390, NORTH OF GRATIOT AVE., ACCORDING TO THE PLAT THEREOF AS RECORDED IN LIBER 13 OF PLATS, PAGE 92, AND PART OF GEO. H. MARTZ'S SUBDIVISION OF THE WEST PART OF P.C. 390, ACCORDING TO THE PLAT THEREOF AS RECORDED IN LIBER 14 OF PLATS, PAGE 5, AND PART OF WILLIAMS TAITS SUBDIVISION OF PART OF CHURCH FARM (P.C. 16) NORTH OF GRATIOT AVE., ACCORDING TO THE PLAT THEREOF AS RECORDED IN LIBER 16 OF PLATS, PAGE 87 IN THE CITY OF DETROIT, WAYNE COUNTY, MICHIGAN AND BEING DESCRIBED BY METES AND BOUNDS AS FOLLOWS: BEGINNING AT THE SOUTHEAST CORNER OF LOT 115 OF SAID POTTER'S SUBDIVISION; THENCE SOUTH 62 DEGREES 50 MINUTES 00 SECONDS WEST 540.64 FEET ALONG THE NORTHERLY RIGHT-OF-WAY LINE OF HENDRIE BOULEVARD (80.00 FEET WIDE); THENCE SOUTH 26 DEGREES 56 MINUTES 05 SECONDS EAST 17.16 FEET ALONG THE WESTERLY RIGHT-OF-WAY LINE OF BALDWIN A VENUE (60.00 FEET WIDE); THENCE SOUTH 62 DEGREES 50 MINUTES 18 SECONDS WEST 883.46 FEET ALONG THE NORTHERLY RIGHT-OF-WAY LINE OF HENDRIE AVENUE (60.00 FEET WIDE); THENCE NORTH 27 DEGREES 11 MINUTES 09 SECONDS WEST 313.98 FEET ALONG THE EASTERLY RIGHT-OF-WAY LINE OF FIELD AVENUE (66.00 FEET WIDE); THENCE NORTH 62 DEGREES 51 MINUTES 21 SECONDS EAST 609.28 FEET ALONG THE SOUTHERLY RIGHT -OF-WAY LINE OF MEDBURY AVENUE (60.00 FEET WIDE); THENCE NORTH 27 DEGREES 15 MINUTES 02 SECONDS WEST 470.62 FEET ALONG THE EASTERLY RIGHT-OF-WAY LINE OF TOWNSEND AVENUE (60.00 FEET WIDE); THENCE NORTH 62 DEGREES 47 MINUTES 32 SECONDS EAST 278.16 FEET; THENCE NORTH 64 DEGREES 10 MINUTES 27 SECONDS EAST 60.01 FEET; THENCE NORTH 62 DEGREES 36 MINUTES 31 SECONDS EAST 450.49 FEET ALONG A LINE PARALLEL WITH AND 30 FEET SOUTHERLY OF THE NORTHERLY LINE OF CONGER AVENUE (60.00 FEET WIDE); THENCE SOUTH 29 DEGREES 11 MINUTES 01 SECOND EAST 768.33 FEET TO THE POINT OF BEGINNING.





CITY OF DETROIT
OFFICE OF THE CHIEF FINANCIAL OFFICER
OFFICE OF THE ASSESSOR

COLEMAN A. YOUNG MUNICIPAL CENTER
2 WOODWARD AVENUE, SUITE 824
DETROIT, MICHIGAN 48226
(313) 224-3011 • TTY:711
(313) 224-9400
WWW.DETROITMI.GOV

November 1, 2019

Katharine G. Trudeau, Deputy Director
Planning & Development Department
Coleman A. Young Municipal Center
2 Woodward Ave, Suite 808
Detroit, MI 48226

Re: Industrial Facilities Exemption Certificate Request – Part of 6101 Van Dyke site
Dakkota Integrated Systems LLC
Parcel Number: See Attached List

Dear Ms. Trudeau:

The Office of the Chief Financial Officer, Office of the Assessor, has reviewed the request from Dakkota Integrated Systems LLC for an Industrial Facilities Exemption certificate for the property bounded by Van Dyke Street, Hendrie Street, Field Street, Medbury Street, Townsend Street and Conger Street.

The rationale for creating Industrial Facilities Exemptions under PA 198 of 1974, as amended, is based upon the anticipation that granting the exemption is a benefit to the city and that expansion, retention, or location of an eligible business will not occur without this exemption. PA 198 of 1974, as amended, also provides a tax incentive to manufacturers in order to enable renovation and expansion of aging facilities, building of new facilities, and to promote establishment of high tech facilities.

Dakkota Integrated Systems LLC is proposing to construct a new 300,000 square foot automotive parts assembly building with site improvements. The estimated total cost of the project is \$38,000,000 for the real property and is expected to create 419 new jobs. The request is for twelve (12) years from project completion.

A field investigation indicated that the proposed project located in the area as described above is eligible as outlined under PA 198 of 1974, as amended.

Sincerely,

Charles Ericson, MMAO
Assessor, Board of Assessors

mmp



Ms. Katharine G. Trudeau, Deputy Director
November 1, 2019

Parcel Number	Property Class	Property Address	Owner Name	Legal Description	Acreage
17000848.	201	7701 HENDRIE	DETROIT PUBLIC SCHOOLS	N HENDRIE 128 GEO H MARTZS SUB L14 P5 PLATS, W C R 17/103 35.07 X 100	0.080
17000849.	402	7707 HENDRIE	DETROIT PUBLIC SCHOOLS	N HENDRIE 129 GEO H MARTZS SUB L14 P5 PLATS, W C R 17/103 30 X 100	0.069
17000850.	402	7713 HENDRIE	DETROIT PUBLIC SCHOOLS	N HENDRIE 130 GEO H MARTZS SUB L14 P5 PLATS, W C R 17/103 30 X 100	0.069
17000851.	402	7719 HENDRIE	DETROIT PUBLIC SCHOOLS	N HENDRIE 131 GEO H MARTZS SUB L14 P5 PLATS, W C R 17/103 30 X 100	0.069
17000852.	402	7725 HENDRIE	DETROIT PUBLIC SCHOOLS	N HENDRIE 132 GEO H MARTZS SUB L14 P5 PLATS, W C R 17/103 30 X 100	0.069
17000853.	402	7731 HENDRIE	DETROIT PUBLIC SCHOOLS	N HENDRIE 133 GEO H MARTZS SUB L14 P5 PLATS, W C R 17/103 30 X 100	0.069
17000854.	402	7737 HENDRIE	DETROIT PUBLIC SCHOOLS	N HENDRIE 134 GEO H MARTZS SUB L14 P5 PLATS, W C R 17/103 35.07 X 100	0.080
17000855.	402	7747 HENDRIE	DETROIT PUBLIC SCHOOLS	N HENDRIE 123 POTTERS SUB L13 P92 PLATS, W C R 17/102 24.25 X 100	0.055
17000856.	402	7749 HENDRIE	DETROIT PUBLIC SCHOOLS	N HENDRIE 122 POTTERS SUB L13 P92 PLATS, W C R 17/102 30 X 100	0.069
17000857.	402	7755 HENDRIE	DETROIT PUBLIC SCHOOLS	N HENDRIE 121 POTTERS SUB L13 P92 PLATS, W C R 17/102 30 X 100	0.069
17000858.	202	7761 HENDRIE	DETROIT PUBLIC SCHOOLS	N HENDRIE 120 POTTERS SUB L13 P92 PLATS, W C R 17/102 30 X 100	0.069
17000859.	402	7767 HENDRIE	DETROIT PUBLIC SCHOOLS	N HENDRIE 119 POTTERS SUB L13 P92 PLATS, W C R 17/102 30 X 100	0.069
17000860.	402	7773 HENDRIE	DETROIT PUBLIC SCHOOLS	N HENDRIE 118 POTTERS SUB L13 P92 PLATS, W C R 17/102 30 X 100	0.069
17000861.	402	7779 HENDRIE	DETROIT PUBLIC SCHOOLS	N HENDRIE 117 POTTERS SUB L13 P92 PLATS, W C R 17/102 30 X 100	0.069



Parcel Number	Property Class	Property Address	Owner Name	Legal Description	Acreage
17000886.	402	7766 MEDBURY	DETROIT PUBLIC SCHOOLS	S MEDBURY 111 POTTERS SUB L13 P92 PLATS, W C R 17/102 30 IRREG	0.074
17000887.	402	7760 MEDBURY	DETROIT PUBLIC SCHOOLS	S MEDBURY 110 POTTERS SUB L13 P92 PLATS, W C R 17/102 30 X 100	0.069
17000888.	402	7754 MEDBURY	DETROIT PUBLIC SCHOOLS	S MEDBURY 109 E 10.36 FT 108 POTTERS SUB L13 P92 PLATS, W C R 17/102 40.36 X 100	0.092
17000889.	402	7744 MEDBURY	DETROIT PUBLIC SCHOOLS	S MEDBURY W 19.64 FT 108 107 POTTERS SUB L13 P92 PLATS, W C R 17/102 40 X 100	0.092
17000890.	402	7736 MEDBURY	DETROIT PUBLIC SCHOOLS	S MEDBURY 121 GEO H MARTZS SUB L14 P5 PLATS, W C R 17/103 26.64 X 100	0.062
17000891.	402	7734 MEDBURY	DETROIT PUBLIC SCHOOLS	S MEDBURY 122 GEO H MARTZS SUB L14 P5 PLATS, W C R 17/103 26.50 X 100	0.062
17000892.	402	7730 MEDBURY	DETROIT PUBLIC SCHOOLS	S MEDBURY 123 GEO H MARTZS SUB L14 P5 PLATS, W C R 17/103 26.50 X 100	0.062
17000893.	402	7724 MEDBURY	DETROIT PUBLIC SCHOOLS	S MEDBURY 124 GEO H MARTZS SUB L14 P5 PLATS, W C R 17/103 26.50 X 100	0.062
17000894.	402	5904 MEDBURY	DETROIT PUBLIC SCHOOLS	N MEDBURY 540&539 WM TAITS SUB L16 P87 PLATS, W C R 17/104 60 X 100	0.138
17000895.	402	7617 MEDBURY	DETROIT PUBLIC SCHOOLS	N MEDBURY 538 WM TAITS SUB L16 P87 PLATS, W C R 17/104 30 X 100	0.069
17000896.	402	7623 MEDBURY	DETROIT PUBLIC SCHOOLS	N MEDBURY 537 WM TAITS SUB L16 P87 PLATS, W C R 17/104 30 X 100	0.069
17000897.	402	7629 MEDBURY	DETROIT PUBLIC SCHOOLS	N MEDBURY 536 WM TAITS SUB L16 P87 PLATS, W C R 17/104 30 X 100	0.069
17000898.	402	7635 MEDBURY	DETROIT PUBLIC SCHOOLS	N MEDBURY 535 WM TAITS SUB L16 P87 PLATS, W C R 17/104 30 X 100	0.069
17000899.	402	7641 MEDBURY	DETROIT PUBLIC SCHOOLS	N MEDBURY 534 WM TAITS SUB L16 P87 PLATS, W C R 17/104 30 X 100	0.069



Parcel Number	Property Class	Property Address	Owner Name	Legal Description	Acreage
17000900-7	402	7647 MEDBURY	DETROIT PUBLIC SCHOOLS	N MEDBURY 533 & 532WM TAITS SUB L16 P87 PLATS, W C R 17/104 66.09 IRREG	0.153
17010043.	402	5941 VAN DYKE	DETROIT PUBLIC SCHOOLS	W VAN DYKE 80 EXC S 1 1/2 FT POTTERS SUB L13 P92 PLATS, W C R 17/102 28.5 IRREG	0.070
17010044.	402	5931 VAN DYKE	DETROIT PUBLIC SCHOOLS	W VAN DYKE S 1 1/2 FT 80 81 POTTERS SUB L13 P92 PLATS, W C R 17/102 31.5 X 100.07	0.073
17010045.	402	5925 VAN DYKE	DETROIT PUBLIC SCHOOLS	W VAN DYKE 82 POTTERS SUB L13 P92 PLATS, W C R 17/102 30 X 100.07	0.069
17010046-52	402	5905 VAN DYKE	DETROIT PUBLIC SCHOOLS	W VAN DYKE 83 THRU 86POTTERS SUB L13 P92 PLATS. W C R 17/102 126.15 IRREG	0.286
17010053.	402	5837 VAN DYKE	DETROIT PUBLIC SCHOOLS	W VAN DYKE 112 POTTERS SUB L13 P92 PLATS, W C R 17/102 40 IRREG	0.097
17010054.	402	5831 VAN DYKE	DETROIT PUBLIC SCHOOLS	W VAN DYKE 113 POTTERS SUB L13 P92 PLATS, W C R 17/102 30 X 100.07	0.069
17010055.	402	5825 VAN DYKE	DETROIT PUBLIC SCHOOLS	W VAN DYKE 114 POTTERS SUB L13 P92 PLATS, W C R 17/102 30.07 IRREG	0.065
17010056.	402	5805 VAN DYKE	DETROIT PUBLIC SCHOOLS	W VAN DYKE 116&115 POTTERS SUB L13 P92 PLATS, W C R 17/102 100.07 IRREG	0.133
17011352.	402	5824 BALDWIN	DETROIT PUBLIC SCHOOLS	E BALDWIN 127 GEO H MARTZS SUB L14 P5 PLATS, W C R 17/103 30 X 100	0.069
17011353.	402	5830 BALDWIN	DETROIT PUBLIC SCHOOLS	E BALDWIN 126 GEO H MARTZS SUB L14 P5 PLATS, W C R 17/103 35 X 100	0.080
17011355-428	202	5850 BALDWIN	DETROIT PUBLIC SCHOOLS	E BALDWIN 91 THRU 120GEO H MARTZS SUB L14 P5 PLATS, W C R 17/103 76 THRU 79 87 THRU 106POTTERS SUB L13 P92 PLATS, W C R AND	4.393



Parcel Number	Property Class	Property Address	Owner Name	Legal Description	Acreage
				VAC PHELPS AVE AND VAC ALLEYS ADJ 17/102 432 IRREG	
17011429.	202	5977 BALDWIN	DETROIT PUBLIC SCHOOLS	W BALDWIN 512 WM TAITS SUB L16 P87 PLATS, W C R 17/104 32 X 142.2A	0.104
17011430.	202	5973 BALDWIN	DETROIT PUBLIC SCHOOLS	W BALDWIN 515 WM TAITS SUB L16 P87 PLATS, W C R 17/104 30 X 142.04A	0.098
17011431.	202	5969 BALDWIN	DETROIT PUBLIC SCHOOLS	W BALDWIN 516 WM TAITS SUB L16 P87 PLATS, W C R 17/104 30 X 141.88A	0.098
17011432.	202	5963 BALDWIN	DETROIT PUBLIC SCHOOLS	W BALDWIN 519 WM TAITS SUB L16 P87 PLATS, W C R 17/104 30 X 141.73A	0.098
17011433.	402	5957 BALDWIN	DETROIT PUBLIC SCHOOLS	W BALDWIN 520 WM TAITS SUB L16 P87 PLATS, W C R 17/104 30 X 141.57A	0.098
17011434.	402	5951 BALDWIN	DETROIT PUBLIC SCHOOLS	W BALDWIN 523 WM TAITS SUB L16 P87 PLATS, W C R 17/104 30 X 141.42A	0.097
17011435.	402	5945 BALDWIN	DETROIT PUBLIC SCHOOLS	W BALDWIN 524 WM TAITS SUB L16 P87 PLATS, W C R 17/104 30 X 141.26A	0.097
17011436.	402	5935 BALDWIN	DETROIT PUBLIC SCHOOLS	W BALDWIN 527 WM TAITS SUB L16 P87 PLATS, W C R 17/104 30 X 141.11A	0.097
17011437.	402	5929 BALDWIN	DETROIT PUBLIC SCHOOLS	W BALDWIN 528 WM TAITS SUB L16 P87 PLATS, W C R 17/104 30 X 140.95A	0.097
17011438.	402	5921 BALDWIN	DETROIT PUBLIC SCHOOLS	W BALDWIN 531 WM TAITS SUB L16 P87 PLATS, W C R 17/104 32 X 140.79A	0.104
17011439.001	402	5859 BALDWIN	DETROIT PUBLIC SCHOOLS	W BALDWIN 672 EXC W 66 FT THEREOF WM TAITS SUB L16 P87 PLATS, W C R 17/104 30 X 73.70 AV	0.051
17011439.002L	402	5853 BALDWIN	DETROIT PUBLIC SCHOOLS	W BALDWIN 671 EXC W 66 FT THEREOF WM TAITS SUB L16 P87 PLATS, W C R 17/104 30 X 73.55 AV	0.051
17011440.001	402	7638 MEDBURY	DETROIT PUBLIC SCHOOLS	W BALDWIN E 39 FT OF W 66 FT 672 E 39 FT OF W 66 FT 671 WM TAITS SUB L16	0.054



Parcel Number	Property Class	Property Address	Owner Name	Legal Description	Acreage
				P87 PLATS, W C R 17/104 60 X 39	
17011440.002L	402	7630 MEDBURY	DETROIT PUBLIC SCHOOLS	W BALDWIN W 27 FT 672 W 27 FT 671 WM TAITS SUB L16 P87 PLATS, W C R 17/104 60 X 27	0.037
17011441.	402	5849 BALDWIN	DETROIT PUBLIC SCHOOLS	W BALDWIN 670 WM TAITS SUB L16 P87 PLATS, W C R 17/104 30 X 139.39A	0.096
17011442.	402	5843 BALDWIN	DETROIT PUBLIC SCHOOLS	W BALDWIN 669 WM TAITS SUB L16 P87 PLATS, W C R 17/104 30 X 139.24A	0.096
17011443.	402	5835 BALDWIN	DETROIT PUBLIC SCHOOLS	W BALDWIN 668 WM TAITS SUB L16 P87 PLATS, W C R 17/104 30 X 139.08A	0.096
17011444.	402	5829 BALDWIN	DETROIT PUBLIC SCHOOLS	W BALDWIN 667 WM TAITS SUB L16 P87 PLATS, W C R 17/104 30 X 138.93A	0.096
17011445.	402	5823 BALDWIN	DETROIT PUBLIC SCHOOLS	W BALDWIN 666 WM TAITS SUB L16 P87 PLATS, W C R 17/104 30 X 138.77A	0.096
17011446.	402	5817 BALDWIN	DETROIT PUBLIC SCHOOLS	W BALDWIN 665 WM TAITS SUB L16 P87 PLATS, W C R 17/104 30 X 138.61A	0.096
17011447.	402	5811 BALDWIN	DETROIT PUBLIC SCHOOLS	W BALDWIN 664 WM TAITS SUB L16 P87 PLATS, W C R 17/104 30 X 138.46A	0.095
17011448.	402	5803 BALDWIN	DETROIT PUBLIC SCHOOLS	W BALDWIN 663 WM TAITS SUB L16 P87 PLATS, W C R 17/104 44.11 X 138.27A	0.139
17012131.	402	5802 TOWNSEND	DETROIT PUBLIC SCHOOLS	E TOWNSEND 550 WM TAITS SUB L16 P87 PLATS, W C R 17/104 44.11 X 118	0.119
17012132.	402	5810 TOWNSEND	DETROIT PUBLIC SCHOOLS	E TOWNSEND 549 WM TAITS SUB L16 P87 PLATS, W C R 17/104 30 X 118	0.081
17012133.	402	5816 TOWNSEND	DETROIT PUBLIC SCHOOLS	E TOWNSEND 548 WM TAITS SUB L16 P87 PLATS, W C R 17/104 30 X 118	0.081
17012134.	402	5822 TOWNSEND	DETROIT PUBLIC SCHOOLS	E TOWNSEND 547 WM TAITS SUB L16 P87 PLATS, W C R 17/104 30 X 118	0.081



Parcel Number	Property Class	Property Address	Owner Name	Legal Description	Acreage
17012135.	402	5828 TOWNSEND	DETROIT PUBLIC SCHOOLS	E TOWNSEND 546 WM TAITS SUB L16 P87 PLATS, W C R 17/104 30 X 118	0.081
17012136.	402	5834 TOWNSEND	DETROIT PUBLIC SCHOOLS	E TOWNSEND 545 WM TAITS SUB L16 P87 PLATS, W C R 17/104 30 X 118	0.081
17012137.	402	5840 TOWNSEND	DETROIT PUBLIC SCHOOLS	E TOWNSEND 544 WM TAITS SUB L16 P87 PLATS, W C R 17/104 30 X 118	0.081
17012138.	402	5846 TOWNSEND	DETROIT PUBLIC SCHOOLS	E TOWNSEND 543 WM TAITS SUB L16 P87 PLATS, W C R 17/104 30 X 118	0.081
17012139.	402	5852 TOWNSEND	DETROIT PUBLIC SCHOOLS	E TOWNSEND 542 WM TAITS SUB L16 P87 PLATS, W C R 17/104 30 X 118	0.081
17012140.	402	5858 TOWNSEND	DETROIT PUBLIC SCHOOLS	E TOWNSEND 541 WM TAITS SUB L16 P87 PLATS, W C R 17/104 30 X 118	0.081
17012141.	402	5922 TOWNSEND	DETROIT PUBLIC SCHOOLS	E TOWNSEND 530 WM TAITS SUB L16 P87 PLATS, W C R 17/104 32 X 118	0.087
17012142.	402	5930 TOWNSEND	DETROIT PUBLIC SCHOOLS	E TOWNSEND 529 WM TAITS SUB L16 P87 PLATS, W C R 17/104 30 X 118	0.081
17012143.	402	5936 TOWNSEND	DETROIT PUBLIC SCHOOLS	E TOWNSEND 526 WM TAITS SUB L16 P87 PLATS, W C R 17/104 30 X 118	0.081
17012144.	402	5942 TOWNSEND	DETROIT PUBLIC SCHOOLS	E TOWNSEND 525 WM TAITS SUB L16 P87 PLATS, W C R 17/104 30 X 118	0.081
17012145.	402	5948 TOWNSEND	DETROIT PUBLIC SCHOOLS	E TOWNSEND 522 WM TAITS SUB L16 P87 PLATS, W C R 17/104 30 X 118	0.081
17012146.	402	5954 TOWNSEND	DETROIT PUBLIC SCHOOLS	E TOWNSEND 521 WM TAITS SUB L16 P87 PLATS, W C R 17/104 30 X 118	0.081
17012147.	202	5960 TOWNSEND	DETROIT PUBLIC SCHOOLS	E TOWNSEND 518 WM TAITS SUB L16 P87 PLATS, W C R 17/104 30 X 118	0.081
17012148.	202	5966 TOWNSEND	DETROIT PUBLIC SCHOOLS	E TOWNSEND 517 WM TAITS SUB L16 P87 PLATS, W C R 17/104 30 X 118	0.081
17012149-71	202	5976 TOWNSEND	DETROIT PUBLIC SCHOOLS	E TOWNSEND 514&513 WM TAITS SUB L16 P87	0.168



Ms. Katharine G. Trudeau, Deputy Director
November 1, 2019

Parcel Number	Property Class	Property Address	Owner Name	Legal Description	Acreage
				PLATS, W C R 17/104 62 X 118	
17013777-86	201	5830 FIELD	DETROIT PUBLIC SCHOOLS	E FIELD 62 THRU 81 WM TAITS SUB L16 P87 PLATS, W C R 17/104; 204 THRU 213 349 THRU 340 AND S 0.89 FT 341 WM TAITS SUB L16 P87 PLATS, W C R 17/104 ALSO VAC ADJ ALLEYS AND VAC SHERIDAN ADJ 550.94 X 314.11 SPLIT/COMBINED ON 08/10/2018 FROM 17012229., 17012230., 17012231., 17012232., 17012233., 17012234., 17012235., 17012236.001, 17012236.002L, 17013022., 17013023., 17013024., 17013025., 17013026., 17013027., 17013028., 17013029., 17013030., 17013031., 17013146., 17013147., 17013148., 17013149., 17013150., 17013151., 17013152., 17013153., 17013154., 17013155., 17013777., 17013778., 17013779., 17013780., 17013781., 17013782., 17013783., 17013784., 17013785., 17013786.;	3.965
17011354.	202	5842 BALDWIN	DETROIT PUBLIC SCHOOLS	E BALDWIN 125 GEO H MARTZS SUB L14 P5 PLATS, W C R 17/103 35 X 100	0.080





CITY OF DETROIT
HOUSING AND REVITALIZATION DEPARTMENT

COLEMAN A. YOUNG MUNICIPAL CENTER
2 WOODWARD AVENUE, SUITE 908
DETROIT, MICHIGAN 48226
(313) 224-6380 • TTY:711
(313) 224-1629
WWW.DETROITMI.GOV

16

October 30, 2019

Detroit City Council
1340 Coleman A. Young Municipal Center
Detroit, MI 48226

RE: Resolution for a Partial Revocation of Commercial Rehabilitation Exemption Certificate No. C2015-038, on behalf of Brush Park Development Company Phase I, in Accordance with Public Act 210 of 2005. (Related to Petition #796)

Honorable City Council:

On October 7, 2019, Brush Park Development Company Phase I LLC submitted a request for the partial revocation of Commercial Rehabilitation Exemption Certificate C2015-038 (amended) in order to remove only **124 Alfred, Unit 3 and 228 Edmund Place (a/k/a 240 Edmund Place)**. The property at 124 Alfred was divided in to three separate parcels with Units 1 and 2 remaining on the certificate and Unit 3 being removed from the certificate due to the property of being approved for a Payment in Lieu of Taxes pursuant to the Michigan State Housing Development Authority program. The property at 228 Edmund Place will now be used to construct additional for-sale housing and not multi-family rental housing as originally contemplated.

MCL 205.852 Sec. 12 (2) allows that upon receipt of a request by the holder of a Commercial Rehabilitation Certificate to the legislative body of the qualified local governmental unit requesting revocation of the certificate, the legislative body of the qualified local governmental unit may, by resolution, revoke the certificate.

Respectfully submitted,


Donald Rencher
Director

DR/ml

cc: S. Washington, Mayor's Office
M. Cox, PDD
D. Rencher, HRD
M. Langston, HRD



By Council Member _____

WHEREAS, **Brush Park Development Company Phase I LLC** has filed with the City Clerk a Request for the Partial Revocation of an Commercial Rehabilitation Exemption Certificate, under Public Act 210 of 2005 ("the Act") in City of Detroit, in the manner and form prescribed by the Michigan State Tax Commission; and

WHEREAS, this City Council is a Qualified Local Governmental Unit as defined by the Act; and

WHEREAS, pursuant to P.A. 210 of 2005, as amended, after a duly noticed public hearing, this City Council approved by resolution Commercial Rehabilitation Exemption Certificate, certificate number C2015-038, for property located at **124 Alfred and 228 Edmund Place (a/k/a 240 Edmund Place)**; and

WHEREAS, pursuant to MCL 205.852 Sec. 12 (2) this City Council may, by resolution, revoke an Commercial Rehabilitation Exemption Certificate upon receipt of a request by the holder of the certificate requesting revocation; and

WHEREAS, on October 7, 2019, **Brush Park Development Company Phase I LLC** submitted a request for the partial revocation of Commercial Rehabilitation Certificate number **C2015-038** (amended) to remove **124 Alfred, Unit 3 and 228 Edmund Place**;

NOW THEREFORE BE IT

RESOLVED, This City Council hereby partially revokes Commercial Rehabilitation Certificate **C2015-038** (amended) for **Brush Park Development Company Phase I LLC** to remove **Unit 3** from the property located at **124 Alfred**; and be it further

RESOLVED, This City Council hereby partially revokes Commercial Rehabilitation Certificate **C2015-038** (amended) for **Brush Park Development Company Phase I LLC** to remove the property located at **228 Edmund Place**; and be it further

RESOLVED, The City Clerk shall forward said revocation to the Michigan State Tax Commission as provided by the Act.



CITY OF DETROIT
OFFICE OF THE CHIEF FINANCIAL OFFICER
OFFICE OF THE ASSESSOR

COLEMAN A. YOUNG MUNICIPAL CENTER
2 WOODWARD AVENUE, SUITE 824
DETROIT, MICHIGAN 48226
(313) 224-3011 • TTY:711
(313) 224-9400
WWW.DETROITMI.GOV

October 18, 2019

Katharine G. Trudeau, Deputy Director
Planning & Development Department
Coleman A. Young Municipal Center
2 Woodward Ave, Suite 808
Detroit, MI 48226

RE: **Commercial Rehabilitation Certificate C2015-038 (amended) – Partial Revocation Request**
Brush Park Development Company Phase I LLC
Parcel Numbers and Addresses: See List

Dear Ms. Trudeau:

The Office of the Chief Financial Officer, Office of the Assessor, has reviewed the request for a partial revocation of Commercial Rehabilitation Certificate C2015-038 (amended) to remove only 124 Alfred Unit 3 and 228 Edmund Place (aka 240 Edmund Place) from the original application request in the City of Detroit. The property at 124 Alfred was divided into three separate parcels with Units 1 and 2 remaining on the certificate and Unit 3 being removed from the certificate due to the property being approved for a Payment In Lieu of Taxes pursuant to the Michigan State Housing Development Authority program. The property at 228 Edmund Place (aka 240 Edmund Place) will now be used to construct additional for-sale housing and not multi-family rental housing as originally contemplated.

MCL 207.852 Sec. 12. (2) allows that upon receipt of a request by certified mail to the legislative body of the qualified local governmental unit by the holder of a commercial rehabilitation exemption certificate requesting revocation of the certificate, the legislative body of the qualified local governmental unit may, by resolution, revoke the certificate.

The revised 2015 building values will remain the same and the revised addresses for the amended certificate are as follows:

Parcel #	Address	Building Assessed Value (SEV)	Building Taxable Value
01000699-700	200 Edmund Pl (formerly 118 Edmund Pl)	\$ -	\$ -
01000691-2	290 Edmund Pl (formerly 266 Edmund Pl)	\$ -	\$ -
01000687-8	320 Edmund Pl (formerly 318 Edmund Pl)	\$ -	\$ -
01003814-5	2718 Brush	\$ -	\$ -
01000647-8	2665 Brush (formerly 310 Alfred St)	\$ -	\$ -
01004055.006	2660 John R (formerly 2750 John R)	\$ -	\$ -
01000657.001	124 Alfred #1	\$ -	\$ -
01000657.002	124 Alfred #2	\$ -	\$ -

The revised real property investment amount for the certificate also needs to be changed from \$38,000,000 to \$150,000,000 per the developer.



Commercial Rehabilitation Certificate C2015-038 – Partial Revocation Request

Brush Park Development Company Phase I LLC

Page 2

This property meets the criteria set forth under PA 146 of 2000, as amended to allow for a partial revocation of Commercial Rehabilitation Certificate C2015-038 (amended) for the property owned by **Brush Park Development Company Phase 1 LLC** to exclude only 124 Alfred Unit 3 and 228 Edmund Place (aka 240 Edmund Place) from the certificate. The amended amount of the real property investment for the obsolete facility will be \$58,220,000.

Sincerely,

Charles Ericson, MMAO
Assessor, Board of Assessors

mmp

Brush Park Development Company Phase I, LLC

October 7, 2019

Detroit City Council
Coleman A. Young Municipal Center
2 Woodward Ave Suite 1340
Detroit, MI 48226

RE: UPDATED Request for PARTIAL Revocation of Commercial Rehabilitation Exemption Certificate No. C2015-038 for Parcel ID. No 01000695-6 and 01000657.003 (City Modern Development)

Honorable City Council:

Enclosed please find Brush Park Development Company Phase I LLC's updated request for the partial revocation of Commercial Rehabilitation Exemption Certificate No. C2015-038 as it pertains to the following parcels:

Owner	Address	Parcel ID
Brush Park Development Company Phase I LLC	Address Assigned by Assessors Office: 124 Alfred, Unit No. 3	Parcel No. 01000657.003
Brush Park Development Company Phase I LLC	Tentative Address in Certificate: 228 Edmund Pl. Address Assigned by Assessors Office: 240 Edmund Pl. ¹	Parcel No. 01000695-6

Brush Park Development Company Phase I, LLC is seeking this partial revocation for the following reasons:

1. With respect to 228 Alfred (now 240 Alfred), this property will now be used to construct additional for-sale housing product, and not multi-family rental product as originally contemplated. This change reflects market response to the City Modern development and advances the important strategic goals of increasing homeownership and long-term residential occupancy within the City, growing the City's permanent population, and growing the City's permanent tax base.

¹ As indicated above, while the Certificate was approved with the tentative address of 228 Edmund Pl., the City of Detroit Assessor's Office has since assigned the address of 240 Edmund Pl. to the parcel in question, which is Parcel No. 01000695-6.

2. With respect to 124 Alfred, Unit No. 3, this property is being developed as affordable housing dedicated to households that make between 30% and 60% of the Area Median Income. Pursuant to Michigan State Housing Development Authority (MSHDA) and Low-Income Housing Tax Credit (LIHTC) program requirements, the property is required to secure a Payment In Lieu of Taxes (PILOT). To do so, it is necessary to revoke the PA210 Certificate for this tax parcel and return it to *ad valorem* status, so that the Assessor's Office may approve the PILOT as required.

Under Section 12(2) of the Commercial Rehabilitation Act, MCL 207.852(2), "Upon receipt of a request by certified mail to the legislative body of the qualified local governmental unit by the holder of a commercial rehabilitation exemption certificate requesting revocation of the certificate, the legislative body of the qualified local governmental unit may, by resolution, revoke the certificate."

Brush Park Development Company Phase I, LLC has conferred with State Tax Commission staff, who have confirmed that this Honorable Body may approve a partial revocation of a Certificate for specific addresses as is requested here.

We appreciate the City Council's attention to this request. If there are any questions, please do not hesitate to contact Jared Fleisher, Vice President of Government Affairs, Quicken Loans and the Family of Companies, at jared.fleisher@quickenloans.com or (617) 460-0266.

Respectfully submitted,

Brush Park Development Company Phase I, LLC

By: _____

Steve Bentley
Its: Authorized Representative

Enclosures:

Attachment A: Approved Certificate No. C2015-038

Janice M. Winfrey
City Clerk

City of Detroit
OFFICE OF THE CITY CLERK

Caven West
Deputy City Clerk/Chief of Staff

DEPARTMENTAL REFERENCE COMMUNICATION

Friday, April 12, 2019

To: The Department or Commission Listed Below

From: Janice M. Winfrey, Detroit City Clerk

The following petition is herewith referred to you for report and recommendation to the City Council.

In accordance with that body's directive, kindly return the same with your report in duplicate within four (4) weeks.

LEGISLATIVE POLICY DIVISION PLANNING AND DEVELOPMENT DEPARTMENT
LAW DEPARTMENT FINANCE DEPT/ASSESSMENTS DIV.

796 *Brush Park Development Company Phase I, LLC, request for Partial Revocation of Commercial Rehabilitation Exemption Certificate.*

Brush Park Development Company Phase I, LLC

April 1, 2019

Detroit City Council
Coleman A. Young Municipal Center
2 Woodward Ave Suite 1340
Detroit, MI 48226

RE: Request for Partial Revocation of Commercial Rehabilitation Exemption Certificate No. C2015-038 for Parcel ID. No 01000695-6 (City Modern Development)

Honorable City Council:

Enclosed please find Brush Park Development Company Phase I LLC's request for the partial revocation of Commercial Rehabilitation Exemption Certificate No. C2015-038 as it pertains to 228 Edmund Pl., Detroit, MI. Please note that, while the Certificate was approved with the tentative address of 228 Edmund Pl., the City of Detroit Assessor's Office has since assigned the address of 240 Edmund Pl. to the parcel in question, which is Parcel No. 01000695-6.

Brush Park Development Company Phase I, LLC is seeking this partial revocation as the subject parcel will now be used to construct additional for-sale housing product, and not multi-family rental product as originally contemplated. This change reflects market response to the City Modern development and advances the important strategic goals of increasing homeownership and long-term residential occupancy within the City, growing the City's permanent population, and growing the City's permanent tax base.

Under Section 12(2) of the Commercial Rehabilitation Act, MCL 207.852(2), "Upon receipt of a request by certified mail to the legislative body of the qualified local governmental unit by the holder of a commercial rehabilitation exemption certificate requesting revocation of the certificate, the legislative body of the qualified local governmental unit may, by resolution, revoke the certificate."

Brush Park Development Company Phase I, LLC has conferred with State Tax Commission staff, who have confirmed that this Honorable Body may approve a partial revocation of a Certificate for specific addresses.

We appreciate the City Council's attention to this request. If there are any questions, please do not hesitate to contact Jared Fleisher, Vice President of Government Affairs, Quicken Loans and the Family of Companies, at jaredfleisher@quickenloans.com or (617) 460-0266.

Respectfully submitted,

Brush Park Development Company Phase I, LLC

By: 

Steve Bentley
Its: Authorized Representative

Enclosures:

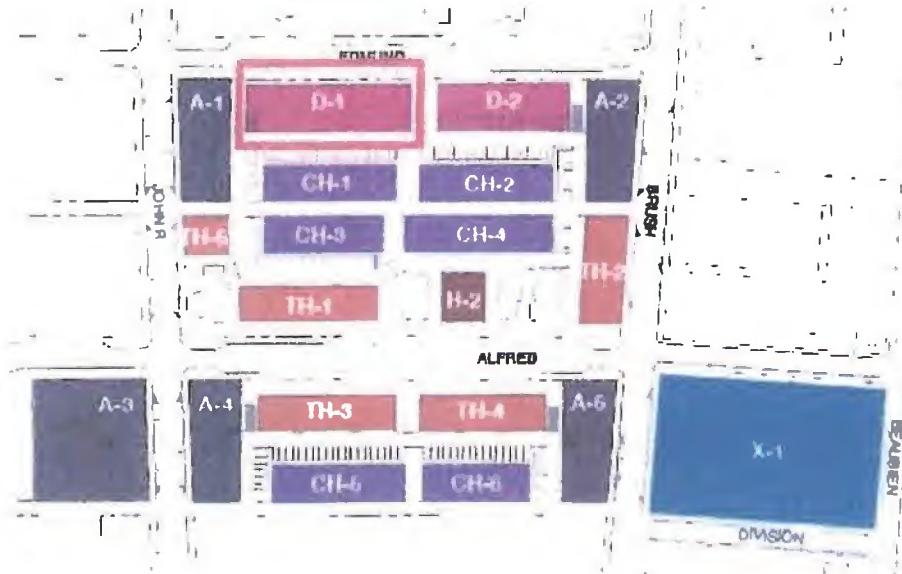
Attachment A: Approved Certificate No. C2015-038

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Attachment B: Site Plan Change - Parcel No. 01000695-6

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Owner	Address	Parcel ID
Brush Park Development Company Phase I LLC	Tentative Address in Certificate: 228 Edmund Pl. Address Assigned by Assessors Office: 240 Edmund Pl.	Parcel No. 01000695-6



RICK SNYDER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

NICK A. KHOURI
STATE TREASURER

February 18, 2016

Howard Luckoff
Brush Park Development Company Phase 1, LLC
1066 Woodward Avenue
Detroit, MI 48226

Dear Sir or Madam:

The State Tax Commission at their February 9, 2016 meeting considered and approved your application for a commercial rehabilitation project, in accordance with Public Act 210 of 2005, as amended. Enclosed is certificate number C2015-038, issued to Brush Park Development Company Phase 1, LLC for the project located at 118, 228, 266, & 318 Edmund, 310 & 124 Alfred, 2750 John R, & 2718 Brush, City of Detroit County.

If you have any questions regarding this exemption please contact the Property Services Division at (517) 373-0675.

Sincerely,

A handwritten signature in black ink that reads "Heather S. Frick".

Heather S. Frick, Executive Director
State Tax Commission

Enclosure
By Certified Mail
cc: Gary Evanko, Assessor, City of Detroit
Clerk, City of Detroit



Commercial Rehabilitation Exemption Certificate

Certificate No. C2015-038

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This certificate, unless revoked as provided by Public Act 210 of 2005, as amended, shall remain in force for a period of 10 year(s);

Beginning December 31, 2016, and ending December 30, 2028.

The real property investment amount for this obsolete facility is \$38,000,000.

The frozen taxable value of the real property related to this certificate is \$18,600.

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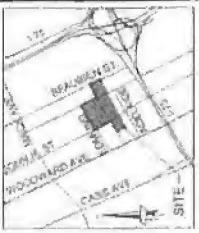
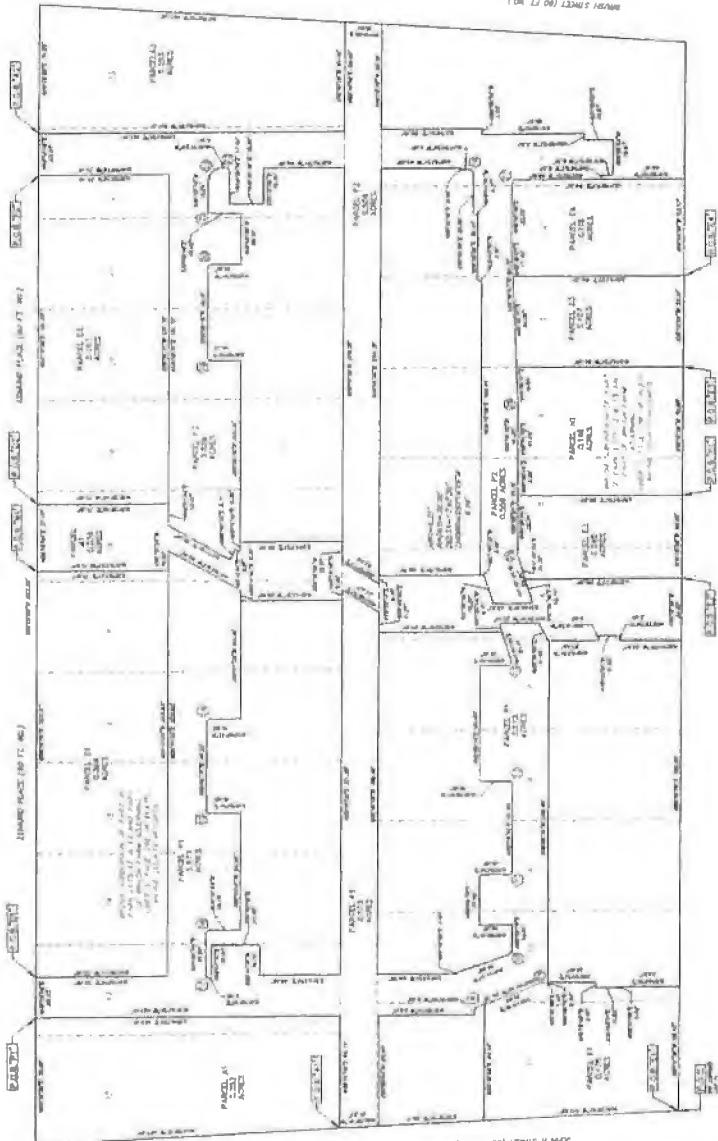
A handwritten signature in black ink that appears to read "DBR".

Douglas B. Roberts, Chairperson
State Tax Commission

A TRUE COPY
ATTEST:

A handwritten signature in black ink that appears to read "Heather Cole".

Heather Cole
Michigan Department of Treasury

ENGINEERS SURVEYORS PLANNERS LANDSCAPE ARCHITECTS 26 W. ADAMS STREET SUITE 1200 DETROIT, MI 48226 P (313) 962-4442 www.giffenwester.com		REGULATIONS S.T.C. DETROIT, MICHIGAN APPROVED: 9/14 ISSUED: 3/14 EXPIRE: 3/14 SECTION: 1	
			
LOCATION MAP (NOT TO SCALE)		OVERALL SURVEY PLAN DETROIT WAYNE COUNTY MICHIGAN	
			
LEGEND		CITY MODERN CONDO PLAN #1072	
<input type="checkbox"/> POINT OF BEGINNING POB		<input type="checkbox"/> POINT OF COMMENCEMENT POC	
<input type="checkbox"/> CURVE NUMBER C		<input type="checkbox"/> BOARD SURVEYING BSB	
TABLE		TABLE	
			
CERTIFICATION		SCALE 1" = 30'	
<p>I, the undersigned Surveyor, do hereby certify that the above Survey Plan is a true and accurate representation of the property described therein, and that the same has been plotted from surveys made by me personally or under my direction, and that the same is in accordance with the laws and regulations of the City of Detroit.</p> <p>JOHN GIFFEN, Surveyor JOHN GIFFEN & ASSOCIATES, PLLC 26 W. Adams Street, Suite 1200 Detroit, MI 48226 (313) 962-4442 www.giffenwester.com</p>		DATE: 03-20-18 TIME: 1:45 PM SHEET: 1 OF 2 PAGE: 1882-210	

Brush Park Development Company Phase I, LLC

April 1, 2019

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Coleman A. Young Municipal Center
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Respectfully submitted,

Brush Park Development Company Phase I, LLC

By: 

Its: Steve Bentley
Authorized Representative

Enclosures:

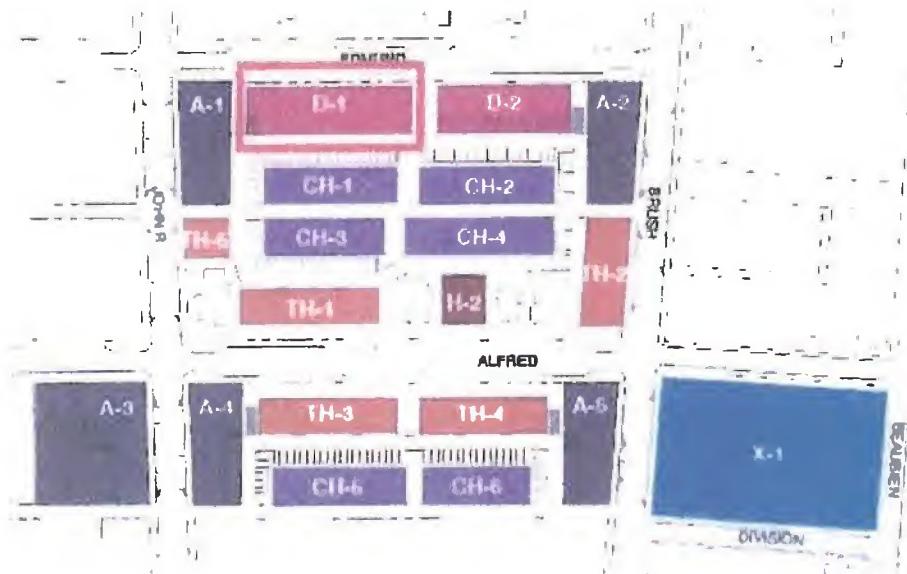
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RICK SNYDER
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DEPARTMENT OF TREASURY
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Heather S. Frick, Executive Director
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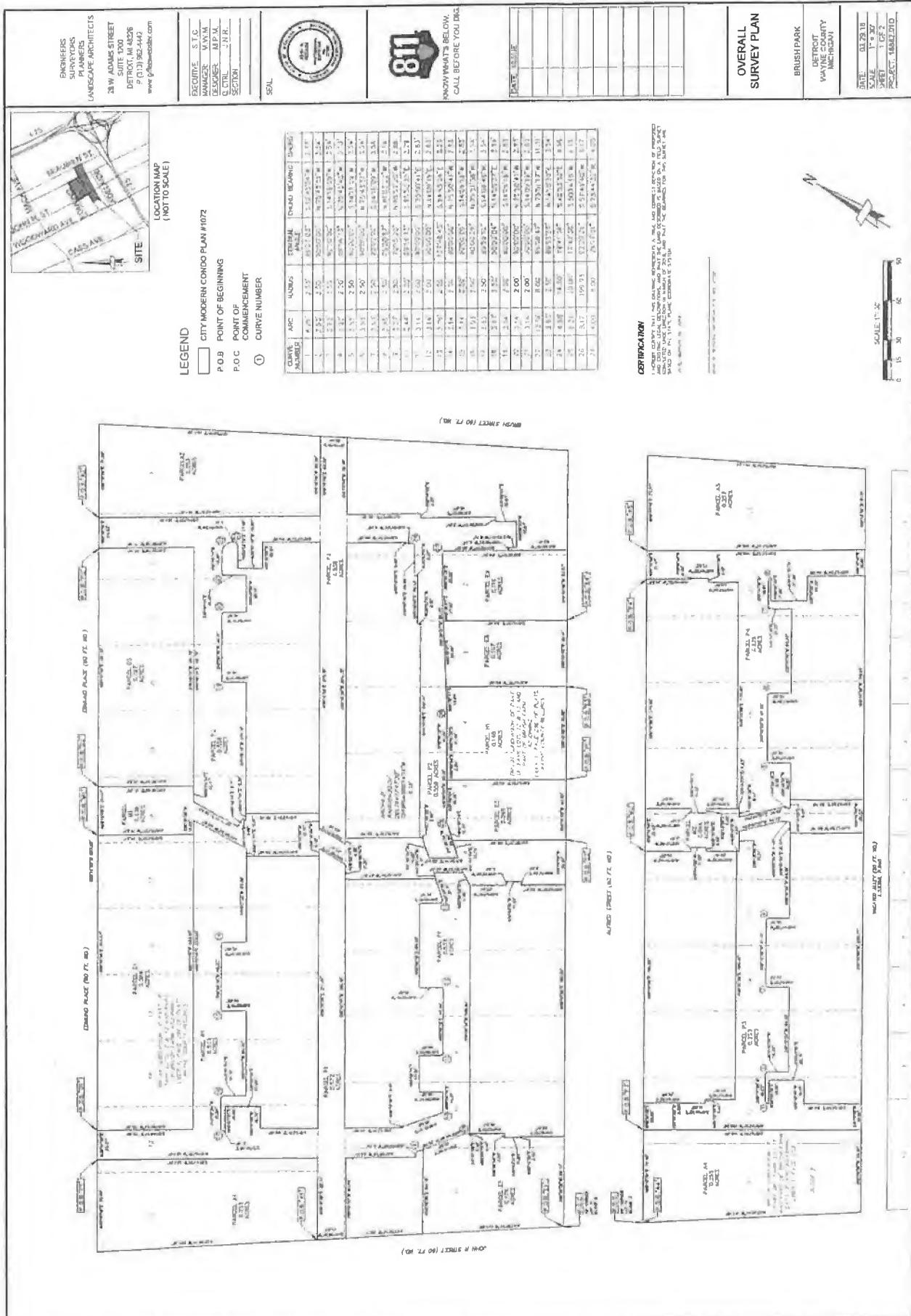
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Douglas B. Roberts, Chairperson
State Tax Commission

A TRUE COPY
ATTEST:

A handwritten signature of Heather Cole.

Heather Cole
Michigan Department of Treasury



PROPERTY DESCRIPTIONS:

1. *Carpe diem* (Seize the day). This is the motto of the *Carpe diem* movement, which originated in the United States in the early 1970s. It is based on the idea that life is short and that one should live it to the fullest, without worrying about the future or past. The movement has spread to other countries and has become a popular way of life for many young people.

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1. *W*hat is the *most* important thing about the *way* you live? *W*hat do you *most* value about your life? *W*hat do you *most* value about your family? *W*hat do you *most* value about your work? *W*hat do you *most* value about your health? *W*hat do you *most* value about your relationships? *W*hat do you *most* value about your spirituality? *W*hat do you *most* value about your environment? *W*hat do you *most* value about your possessions? *W*hat do you *most* value about your time? *W*hat do you *most* value about your money? *W*hat do you *most* value about your education? *W*hat do you *most* value about your hobbies? *W*hat do you *most* value about your interests? *W*hat do you *most* value about your past? *W*hat do you *most* value about your future? *W*hat do you *most* value about your life? *W*hat do you *most* value about your world?

PROPERTY DESCRIPTION

the first time in the history of the world, the people of the United States have been called upon to decide whether they will submit to the law of force, or the law of the Constitution. We have now an opportunity to show our real character. If we do not stand up for the Constitution, we shall become a nation of cowards, and we shall deserve all the punishment we get. The Constitution is the law of God, and it must be obeyed. The people of the United States have a right to defend themselves, and they have a duty to do so. The Constitution gives them the right to bear arms, and it also gives them the duty to defend their country. The Constitution is the law of the land, and it must be obeyed. The people of the United States have a right to defend themselves, and they have a duty to do so. The Constitution gives them the right to bear arms, and it also gives them the duty to defend their country.

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**OVERALL
SURVEY PLAN
LEGALS**

BRUSH PARK

**DETROIT
WAYNE COUNTY
MICHIGAN**



Brush Park Development Company Phase I, LLC

April 1, 2019

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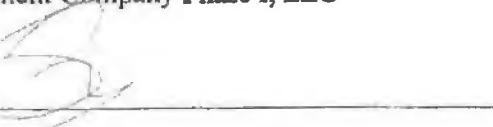
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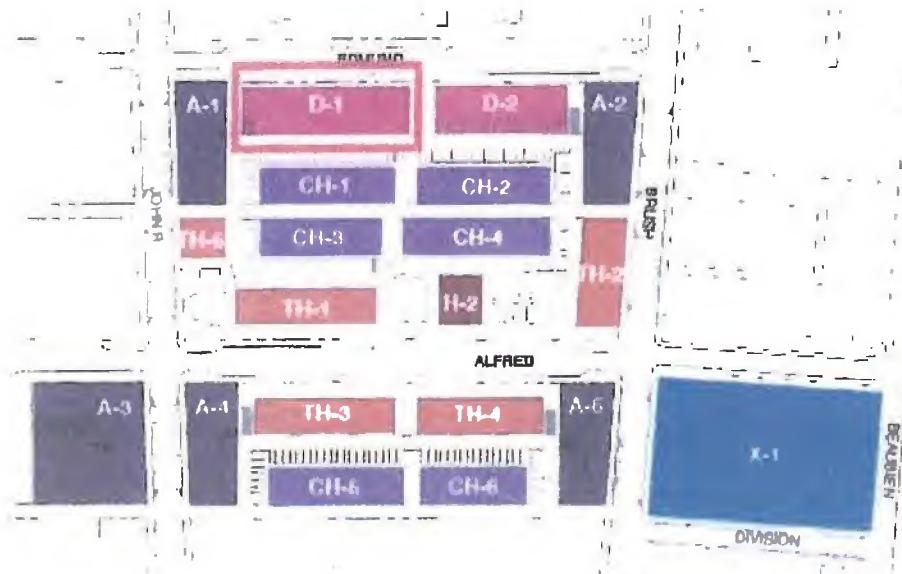
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STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

RICK SNYDER
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NICK A. KHOURI
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State Tax Commission

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By Certified Mail
cc: Gary Evanko, Assessor, City of Detroit
Clerk, City of Detroit



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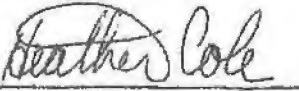
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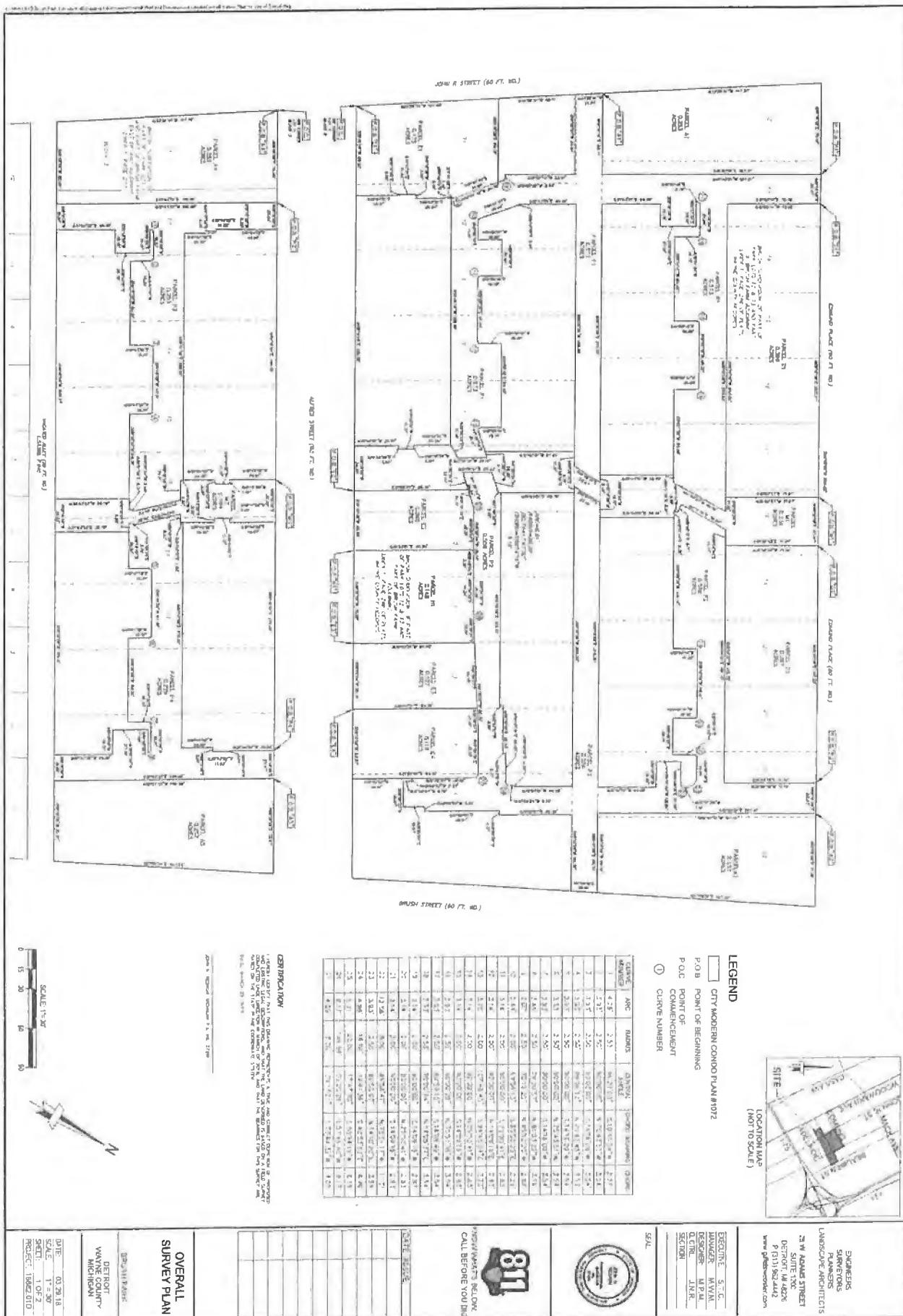


Douglas B. Roberts, Chairperson
State Tax Commission

A TRUE COPY
ATTEST:



Heather Cole
Michigan Department of Treasury



I FERRED A LOT OF THINGS DURING PRACTICE. A TIME AND COMPANY DOWN THE ROAD IN WOODBURN WHO USED THE LOCAL CONCRETE BLOCKS AND HAD THE LAND AT WOODBURN TO PARK ON A FIELD WHERE THEY COULD NOT GET ANYTHING ELSE. THEY HAD NO BUSINESS TAKING DOWN SIGHTS AND SELLING THEM TO THE STATE OF OREGON.

2019-04-12

796

*Petition of Brush Park Development
Company Phase I, LLC, request for
Partial Revocation of Commercial
Rehabilitation Exemption Certificate.*

REFERRED TO THE FOLLOWING DEPARTMENT(S)

LEGISLATIVE POLICY DIVISION PLANNING AND
DEVELOPMENT DEPARTMENT
LAW DEPARTMENT FINANCE DEPT/ASSESSMENTS
DIV.



CITY OF DETROIT
HOUSING AND REVITALIZATION DEPARTMENT

OCT 25 2019
COLEMAN A. YOUNG MUNICIPAL CENTER
2 WOODWARD AVENUE,
DETROIT, MICHIGAN 48226
#2919
(313) 224-6380 • TTY:711
(313) 224-1629
WWW.DETROITMI.GOV

17

October 24, 2019

The Honorable Detroit City Council
ATTN: City Clerk Office
200 Coleman A. Young Municipal Center
Detroit, MI 48226

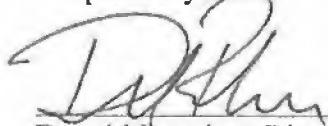
RE: REQUEST TO APPROPRIATE NSP-1 PROGRAM INCOME

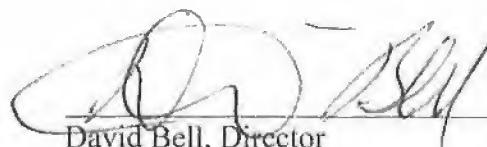
Honorable City Council:

In 2014, the U.S. Department of Housing and Urban Development (HUD) Office of the Inspector General (OIG) issued Audit Report 2014-CH-1002, concerning the use of Neighborhood Stabilization Program (NSP-1) funds and Fire Insurance Escrow (FIE) funds, to Housing and Revitalization Department (HRD) (the Planning and Development Department at the time of the audit). HRD has resolved many of the findings associated with the Audit Report. To address the remaining findings, the OIG requires that certain funds be transferred to the NSP-1 program and spent on NSP-1 eligible uses. HRD has worked the Buildings, Safety, Engineering and Environmental Department (BSEED) and with the Office of the Chief Financial Officer (OCFO) to credit the proper funds to the NSP-1 account from both FIE and the General Fund. In addition, there is outstanding program income in the NSP-1 bank account that must be appropriated and spent for closeout of the program as required by HUD.

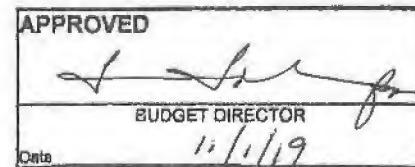
Therefore, HRD respectfully requests the authorization of Your Honorable Body to appropriate the remaining NSP-1 funds pursuant to HUD requirements. We have determined that \$730,442.44 must be appropriated and spent on NSP-1 eligible uses to close out the program and avoid potential future penalties as assessed by HUD; this includes both funds credited from FIE to correct findings in the OIG Audit Report and the remaining NSP-1 program income. For questions regarding this matter, please contact my office at (313) 224-6380.

Respectfully submitted:


Donald Rencher, Director
Housing and Revitalization Department


David Bell, Director
Buildings, Safety, Engineering and Environmental Dept.

CC: Arthur Jemison, Mayor's Office
Stephanie Washington, Mayor's Office



BY COUNCIL MEMBER

WHEREAS, the Housing and Revitalization Department (“HRD”) continues work to closeout findings associated with the U.S. Department of Housing and Urban Development Office of Inspector General Audit Report 2014-CH-1002; now therefore be it

RESOLVED, that Neighborhood Stabilization Program (1) program income related to the audit findings be appropriated to Appropriation No. 14098, NSP 1 Closeout; and be it

RESOLVED, that HRD is hereby authorized to expend the revenue received in Appropriation No. 14098, NSP 1 Closeout to closeout audit findings; and be it

RESOLVED, that the City’s Chief Financial Officer, of his authorized designee, is hereby authorized to increase Appropriation No. 14098, NSP1 Closeout by \$730,442.44; and be it finally

RESOLVED, that the City’s Chief Financial Officer, of his authorized designee, is hereby authorized to accept and process all documents consistent with the authorizations and approvals grant herein.

APPENDIX A: Overview of NSP-1 Funds for Appropriation

Category	Audit Report Finding	Description	Total
Funds Credited from non-federal funds to NSP-1	1C	This finding required the City to reimburse \$131,993 in program funds spent inappropriately when fire insurance funds were available, and \$71,809 in duplicate draws, totaling \$203,802. HUD's Detroit Office of Community Planning and Development is requiring the City to reimburse its NSP-1 Program line of credit with \$203,802 from non-Federal funds.	\$203,802.00
	1G	This finding required the City to reimburse any NSP-1 funds that were drawn down inappropriately because FIE funds had been available at the time associated with work at 177 specific addresses. HUD's Detroit Office of Community Planning and Development is requiring the City to reimburse its NSP-1 Program line of credit with \$212,229 associated with these addresses from non-Federal funds.	\$212,219.00
Program Income in NSP Account	N/A	NSP-1 program income must be appropriated and spent on eligible uses to close out account.	\$314,421.44
Total to appropriate:			\$730,442.44

APPENDIX B: OIG AUDIT 2014-CH-1002

OFFICE OF AUDIT
REGION 5
CHICAGO, IL



City of Detroit, MI

**Neighborhood Stabilization Program Under the
Housing and Economic Recovery Act of 2008**



Issue Date: January 6, 2014

Audit Report Number: 2014-CH-1002

TO: Keith E. Hernandez, Director of Community Development, 5FD

//signed//

FROM: Kelly Anderson, Regional Inspector General for Audit, Chicago Region, 5AGA

SUBJECT: The City of Detroit, MI, Lacked Adequate Controls Over Its Neighborhood Stabilization Program-Funded Demolition Activities Under the Housing and Economic Recovery Act of 2008

Attached is the U.S. Department of Housing and Urban Development (HUD), Office of Inspector General (OIG), results of our review of the City of Detroit's Neighborhood Stabilization Program-funded demolition activities under the Housing and Economic Recovery Act of 2008.

HUD Handbook 2000.06, REV-4, sets specific timeframes for management decisions on recommended corrective actions. For each recommendation without a management decision, please respond and provide status reports in accordance with the HUD Handbook. Please furnish us copies of any correspondence or directives issued because of the audit.

The Inspector General Act, Title 5 United States Code, section 8M, requires that OIG post its publicly available reports on the OIG Web site. Accordingly, this report will be posted at <http://www.hudoig.gov>.

If you have any questions or comments about this report, please do not hesitate to call me at (312) 913-7832.



January 6, 2014

The City of Detroit, MI, Lacked Adequate Controls Over Its Neighborhood Stabilization Program-Funded Demolition Activities Under the Housing and Economic Recovery Act of 2008

Highlights

Audit Report 2014-CH-1002

What We Audited and Why

We audited the City of Detroit's Neighborhood Stabilization Program-funded demolition activities under the Housing and Economic Recovery Act of 2008. We selected the City based on a request from the Office of Inspector General's Office of Investigation to work jointly with it on the assignment. Our objectives were to determine whether the City complied with Federal regulations in its (1) maintenance of accounting records for activities and (2) drawing down of Program funds for activities.

What We Found

The City did not maintain records that adequately identified the source and application of funds provided for its activities. Further, it inappropriately drew down Program funds (1) when it had fire insurance funds and Program refunds available and (2) for duplicate demolition costs. As a result, nearly \$2.3 million in Program funds was not available for eligible Program costs. Further, the U.S. Treasury paid more than \$76,000 in unnecessary interest on Program funds that the City inappropriately drew down when it should have used available fire insurance funds.

What We Recommend

We recommend that the Director of HUD's Detroit Office of Community Planning and Development ensure that the City spent nearly \$2.1 million in fire insurance funds and Program refunds for eligible Program costs. We also recommend that the Director require the City to (1) use nearly \$204,000 in fire insurance funds and duplicate Program drawdowns for eligible Program costs, (2) reimburse HUD from non-Federal funds more than \$76,000 in unnecessary interest paid by the U.S. Department of the Treasury, (3) maintain adequate accounting records for activities, and (4) implement adequate procedures and controls to address the finding cited in this audit report.

TABLE OF CONTENTS

Background and Objectives	3
Results of Audit	
Finding: The City Did Not Administer Its Program-Funded Demolition Activities in Accordance With Federal Regulations	4
Scope and Methodology	11
Internal Controls	12
Appendices	
A. Schedule of Questioned Costs and Funds to Be Put to Better Use	14
B. Auditee Comments and OIG's Evaluation	15
C. Federal Regulations	17

BACKGROUND AND OBJECTIVES

The Program. Authorized under Section 2301 of Title III of the Housing and Economic Recovery Act of 2008, as amended, Congress appropriated \$4 billion for the Neighborhood Stabilization Program to provide grants to every State and certain local communities to purchase foreclosed-upon or abandoned homes and rehabilitate, resell, or redevelop these homes to stabilize neighborhoods and stem the decline in value of neighboring homes. The Act states that amounts appropriated, revenues generated, or amounts otherwise made available to States and units of general local government under Section 2301 will be treated as though such funds were Community Development Block Grant funds under Title I of the Housing and Community Development Act of 1974.

The City. The City of Detroit is governed by a mayor and a nine-member council elected to 4-year terms. The City's Planning and Development Department administers its Program. Further, its Buildings, Safety Engineering, and Environmental Department is responsible for implementing Program-funded demolition activities. The mission of the Planning and Development Department is to strengthen and revitalize the City's neighborhoods and communities and to stabilize and transform its physical, social, and economic environment. The Buildings, Safety Engineering, and Environmental Department provides for the safety, health, welfare, and improvement of the quality of life of the general public relative to buildings and their environments in an efficient, cost-effective, user-friendly, and professional manner. The City's records are located at 65 Cadillac Square and 2 Woodward Avenue, Detroit, MI.

On March 19, 2009, HUD awarded the City more than \$47 million in Program funds. The City initially budgeted \$14 million for demolition activities. However, the City amended its budget, and as of March 8, 2013, its allocation for demolition activities totaled more than \$19.9 million.

The City has participated in the State of Michigan's Fire Insurance Withholding program since July 1982. The State's program provides participating municipalities with some financial protection against the cost of repairing, replacing, or demolishing a damaged structure following a loss from fire, explosion, vandalism, malicious mischief, wind, hail, riot, or civil commotion. A municipality may receive a portion of a policyholder's final insurance settlement, which is to be held in a specified escrow account until the structure is repaired, replaced, or demolished. If the structure is not repaired, replaced, or demolished, the municipality must use the funds to repair, replace, or demolish the structure.

Our objectives were to determine whether the City complied with Federal regulations in its (1) maintenance of accounting records for activities and (2) drawing down of Program funds for activities.

RESULTS OF AUDIT

Finding 1: The City Did Not Administer Its Program-Funded Demolition Activities in Accordance With Federal Regulations

The City did not maintain accounting records that adequately identified the source and application of funds provided for its Program-funded demolition activities. Further, it inappropriately drew down Program funds (1) when it had fire insurance funds and Program refunds available and (2) for duplicate demolition costs. These weaknesses occurred because the City lacked adequate procedures and controls in the administration of its activities to ensure compliance with Federal regulations. As a result, (1) nearly \$2.3 million in Program funds was not available for eligible Program costs and (2) the City inappropriately transferred more than \$893,000 in fire insurance funds into its Program account. Further, the U.S. Department of the Treasury paid more than \$76,000 in unnecessary interest on Program funds that the City inappropriately drew down when it should have used available fire insurance funds.

The City Did Not Maintain Adequate Records for Its Activities

The City did not maintain records that adequately identified the source and application of funds provided for its activities as required by HUD's regulations at 24 CFR (Code of Federal Regulations) 85.20(b)(2). We requested the amount of Program funds the City drew down for each of its activities. The City provided data from its Tidemark Advantage system. However, when we assessed the reliability of the data, we determined that the data from the system did not always match the supporting invoices in the vouchers.¹ Since there were a significant number of discrepancies, we determined that we could not rely on the data from the system. Therefore, to determine the amount of Program funds the City drew down for each of its activities, we had to review all 144 vouchers processed as of March 21, 2013.²

The City Inappropriately Drew Down More Than \$1.2 Million in Program Funds When It Had Fire Insurance Funds Available

Contrary to HUD's regulations at 24 CFR 85.21(f)(2) and Federal regulations at appendix A, section C.1, of 2 CFR Part 225, the City inappropriately drew down

¹ For example, five of the six invoices in one of the vouchers included (1) amounts for demolition-related work for 25 activities that did not match the data from the system and (2) demolition-related work for three addresses that were not included in the data.

² The vouchers totaled more than \$16.8 million and included more than 800 invoices for more than 3,700 addresses.

more than \$1.2 million in Program funds from November 2009 through March 2013 for 227 activities when it should have used available fire insurance funds from the State's Fire Insurance Withholding program for the associated properties. Therefore, the U.S. Treasury paid at least \$76,750 in unnecessary interest on the Program funds.³

On October 31, 2011, the City transferred more than \$1.5 million from its fire insurance escrow account into its Program account.⁴ Further, as of June 19, 2012, it had transferred nearly \$526,000 in additional fire insurance funds into its Program account.⁵ Of the nearly \$2.1 million, the City transferred (1) \$470,573 for 84 addresses for which the City did not draw down Program funds for activities and (2) \$364,493 for 140 addresses that exceeded the amount of Program funds drawn down for the activities. As a result of our audit, the City transferred \$20,944 from its Program account into its fire insurance escrow account on April 12, 2013, to correct a duplicate transfer of fire insurance funds for three addresses.

Further, the City provided a report it used to track the fire insurance funds. The report included addresses for which the City received fire insurance funds. However, it did not contain complete information.⁶ Therefore, we reviewed the City's fire insurance escrow files for the addresses associated with the nearly \$2.1 million in fire insurance funds it transferred into its Program account to determine whether the amounts transferred were appropriate. The City (1) did not transfer \$51,981 in additional fire insurance funds into its Program account for 21 activities and (2) transferred \$131,643 for 28 activities that exceeded the amount of fire insurance funds available for the properties.⁷

The City's report also contained 334 addresses that corresponded with the City's activities, for which it did not transfer any fire insurance funds into its Program account. We randomly selected 10 of the 334 addresses to determine whether fire insurance funds were available when the City drew down Program funds for demolition costs. The City inappropriately drew down \$20,733 in Program funds from November 2009 through March 2013 for 7 of the 10 addresses, although it had received fire insurance funds for the properties. The City did not receive fire insurance funds for two of the addresses. For the remaining address, it received \$7,443 in fire insurance funds on October 22, 2008, and drew down \$3,833 in Program funds from October 2011 through August 2012. However, it transferred

³See scope and methodology.

⁴This transfer included \$4,878 for which the City appropriately drew down Program funds because it had not received the fire insurance funds at the time of the drawdown.

⁵The City had not used the nearly \$2.1 million as of June 20, 2013.

⁶For example, the report did not include the amount of fire insurance funds that (1) the City transferred from its fire insurance escrow account or (2) was available to be used to repair, replace, or demolish damaged structures.

⁷The nearly \$132,000 included \$73,625 that was also included in the more than \$364,000 that exceeded the amount of Program funds drawn down for activities.

the more than \$7,000 in fire insurance funds into its Block Grant program account on May 16, 2012.⁸

The following table shows the calculation of the City's inappropriate drawdowns of Program funds when fire insurance funds were available.

\$1,545,791	Initial fire insurance funds transferred into the Program account
<u>525,558</u>	Additional fire insurance funds transferred into the Program account
\$2,071,349	Total fire insurance funds transferred into the Program account
(470,573)	Fire insurance funds transferred for addresses for which the City did not draw down Program funds for activities
(364,493)	Fire insurance funds transferred for addresses that exceeded the amount of Program funds drawn for activities
(131,643)	Fire insurance funds transferred for addresses that exceeded the amount of fire insurance funds available for properties
(4,878)	Fire insurance funds transferred for which Program funds were appropriately drawn
73,625	Transferred fire insurance funds added due to being included in both the more than \$364,000 and nearly \$132,000 reduced above
<u>72,714</u>	Fire insurance funds available but not transferred into the Program account ⁹
<u>\$1,246,101</u>	Program funds inappropriately drawn when fire insurance funds were available

On July 2, 2013, as a result of our audit, the City transferred \$604,312 in fire insurance funds associated with 147 of the remaining 324 addresses into its Program account. The general manager of the Administration Division within the City's Buildings Department stated that the City's staff reviewed the fire insurance escrow files for the 147 addresses and the fire insurance funds were available for the addresses when it drew down Program funds to pay for the demolition costs.

The principal accountant of the Financial Resources Management Division within the City's Planning Department stated that as of August 9, 2013, the City had used for Program costs \$1,718,420 of the fire insurance funds that it transferred into its Program account. This amount included \$1,114,108 in fire insurance funds transferred from October 2011 through June 2012 and the more than \$604,000 in fire insurance funds it transferred into its Program account in July 2013. The principal accountant also stated that as of August 30, 2013, the City had not used any additional fire insurance funds for Program costs. Therefore, as of August 30, 2013, the City had not used the remaining \$131,993 in fire

⁸ As of October 31, 2013, the City had not provided sufficient documentation to support that the more than \$7,000 in fire insurance funds had been appropriately transferred into its Block Grant program account.

⁹ The nearly \$73,000 included the nearly \$52,000 for addresses associated with the nearly \$2.1 million in fire insurance funds transferred and the nearly \$21,000 for additional addresses associated with activities for which fire insurance funds were not transferred.

insurance funds for which it inappropriately drew down Program funds when it had fire insurance funds available.¹⁰

The City Did Not Use More Than \$332,000 in Program Refunds Before Drawing Down Program Funds

In June 2012, a gas company refunded the City nearly \$529,000 for gas cut and cap fees. Although the refund included demolition costs associated with activities, the City deposited the funds into its general account. In April 2013 and after we notified the City of the situation, it transferred \$346,590 from its general account into its Program account. The City then used the funds for Program costs. However, \$10,800 of the transferred amount for 12 addresses did not correspond with its activities. Further, \$3,450 of the transferred amount for five addresses exceeded the amount of Program funds drawn down for the activities. On September 5, 2013, the administrative assistant III of the Demolition Division within the City's Buildings Department stated that the City should not have transferred the \$14,250 into its Program account since the gas cut and cap fees for these 17 addresses were paid for with Program funds under the American Recovery and Reinvestment Act of 2009. Therefore, the City did not follow HUD's regulations at 24 CFR 85.21(f)(2) when it drew down \$332,340¹¹ in Program funds from July 2012 through March 2013.

The City Drew Down Nearly \$72,000 in Program Funds for Duplicate Demolition Costs

The City drew down nearly \$144,000 in Program funds from August 2010 through September 2012 for 35 activities. However, contrary to Federal regulations at 2 CFR Part 225, section C.1 of appendix A, \$71,809 of the amount was for duplicate demolition costs. The City drew down Program funds for (1) the same invoices twice and (2) different invoices that included the same addresses and work performed.

¹⁰ The nearly \$132,000 is the more than \$1.2 million in Program funds the City inappropriately drew down when it had fire insurance funds available less the more than \$1.1 million in fire insurance funds transferred from October 2011 through June 2012 that it had used as of August 9, 2013.

¹¹ The more than \$332,000 is the nearly \$347,000 in Program refunds the City transferred from its general account into its Program account less the more than \$14,000 associated with Program funds under the Recovery Act.

The City Lacked Adequate Procedures and Controls

These weaknesses occurred because the City lacked adequate procedures and controls in the administration of its activities to ensure compliance with Federal regulations. The buildings supervisor for the Demolition Division within the City's Buildings Department stated that (1) data from the City's old system did not transfer properly to its Tidemark Advantage system and (2) there was insufficient oversight to ensure that data entered into the system was accurate. Further, the system did not identify the source of funding for the demolition costs.

The former deputy director of the City's Buildings Department stated that the number of demolition jobs that the Buildings Department processed increased by approximately 600 percent after the City was awarded Program funds. The director of the City's Planning Department stated that the Buildings Department was not structured and its staff did not have the necessary knowledge, experience, and training to be able to handle the increase in demolition jobs. Further, a lack of communication and coordination between the two departments prevented the Planning Department from being able to sufficiently monitor the Buildings Department.

Conclusion

The City lacked adequate procedures and controls in the administration of its activities to ensure compliance with Federal regulations. As a result, (1) nearly \$2.3 million in Program funds was not available for eligible Program costs¹² and (2) the City inappropriately transferred \$893,084 in fire insurance funds into its Program account.¹³ Further, the U.S. Treasury paid more than \$76,000 in unnecessary interest on Program funds that the City inappropriately drew down when it should have used available fire insurance funds.

Recommendations

We recommend that the Director of HUD's Detroit Office of Community Planning and Development

¹² The nearly \$2.3 million included the (1) more than \$1.2 million in Program funds inappropriately drawn down when fire insurance funds were available, (2) more than \$604,000 in fire insurance funds transferred into the Program account in July 2013, (3) more than \$332,000 in Program refunds transferred from the general account into the Program account in April 2013, and (4) nearly \$72,000 in Program funds drawn down for duplicate demolition costs.

¹³ The more than \$893,000 included the (1) nearly \$471,000 the City transferred for addresses for which the City did not draw down Program funds for activities, (2) more than \$364,000 that exceeded the amount of Program funds drawn down for activities, and (3) more than \$58,000 that exceeded the amount of fire insurance funds available for properties (nearly \$132,000 transferred less the nearly \$74,000 that was also included in the more than \$364,000 that exceeded the amount of Program funds drawn down for activities).

- 1A. Ensure that the City used the \$2,050,760 in fire insurance funds (\$1,718,420) and Program refunds (\$332,340) for eligible Program costs.
- 1B. Determine whether the U.S. Treasury paid unnecessary interest on the Program funds associated with the more than \$604,000 in fire insurance funds the City transferred into its Program account in July 2013. If the U.S. Treasury paid unnecessary interest, the City should reimburse HUD, for transmission to the U.S. Treasury, from non-Federal funds for the unnecessary interest the U.S. Treasury paid on the Program funds that the City inappropriately drew down for activities when it had fire insurance funds for the properties associated with the activities.

We recommend that the Director of HUD's Detroit Office of Community Planning and Development require the City to

- 1C. Use for eligible Program costs, before drawing down additional Program funds, \$203,802 in (1) the remaining fire insurance funds for which it inappropriately drew down Program funds when it had fire insurance funds available (nearly \$132,000) and (2) Program funds drawn down for duplicate demolition costs (nearly \$72,000).
- 1D. Reimburse HUD, for transmission to the U.S. Treasury, \$76,750 from non-Federal funds for the unnecessary interest the U.S. Treasury paid on the Program funds that the City inappropriately drew down for activities when it had fire insurance funds for the properties associated with the activities.
- 1E. Determine whether the \$872,140 in fire insurance funds that it inappropriately transferred into its Program account are associated with demolition costs paid with other Federal program funds. If the fire insurance funds are associated with demolition costs paid with other program funds, the City should transfer the fire insurance funds into the applicable program account and use the funds for eligible program costs before drawing down additional program funds.¹⁴
- 1F. Support that the more than \$7,000 in fire insurance funds transferred into its Block Grant program account in May 2012 for an address was appropriate or reimburse its Program \$3,833 from non-Federal funds, as appropriate, for the nearly \$4,000 in Program funds that it drew down for the address.
- 1G. Determine for the remaining 177 addresses in its report whether fire insurance funds were available when it drew down Program funds for the

¹⁴ The more than \$872,000 is the more than \$893,000 in fire insurance funds the City inappropriately transferred into its Program account less the nearly \$21,000 it transferred from its Program account into its fire insurance escrow account in April 2013 to correct a duplicate transfer of fire insurance funds.

demolition costs.¹⁵ If fire insurance funds were available, the City should (1) use the fire insurance funds for eligible Program costs before drawing down additional Program funds and (2) reimburse HUD, for transmission to the U.S. Treasury, from non-Federal funds any unnecessary interest the U.S. Treasury paid on the Program funds that it drew down for activities when it had fire insurance funds for the properties associated with the activities.¹⁶

- 1H. Support that the more than \$14,000 in refunded gas cut and cap fees that was inappropriately transferred into its Program account and used for Program costs was an eligible Program use under the Recovery Act or reimburse its Program under the Recovery Act \$14,250 from non-Federal funds and use the funds for eligible Program costs under the Recovery Act.
- 1I. Maintain accounting records that adequately identify the source and application of funds provided for its activities.
- 1J. Implement adequate procedures and controls to ensure that it (1) uses available fire insurance funds and refunded Program funds before drawing down Program funds and (2) does not draw down Program funds for duplicate demolition costs.

¹⁵ The 177 addresses are the 334 addresses in the City's report that corresponded with the City's activities, for which it did not transfer any fire insurance funds into its Program account less the 10 addresses that we reviewed and the 147 addresses that the City's staff reviewed.

¹⁶ Any unnecessary interest the U.S. Treasury paid would be determined by HUD.

SCOPE AND METHODOLOGY

We performed our onsite audit work from November 2012 through June 2013 at the City's offices located at 65 Cadillac Square and 2 Woodward Avenue, Detroit, MI. The audit covered the period March 2009 through October 2012 and was expanded as determined necessary.

To accomplish our objectives, we reviewed

- Applicable laws; the Federal Register, dated October 6, 2008, June 19, 2009, and April 9, 2010; Federal regulations at 2 CFR Part 225; HUD's regulations at 24 CFR Parts 85 and 570; HUD's grant agreement with the City for Program funds; and HUD's Detroit Office of Community Planning and Development's monitoring reports for the City's Program and Block Grant program in 2011.
- The City's 2008 action plan substantial amendment for the Program; action plan amendments, dated December 14, 2010, August 10, 2012, and March 8, 2013; annual reports and audited financial statements for 2010 through 2012; financial records; policies and procedures; fire insurance escrow files; and Program data from the City's Tidemark Advantage system and Detroit Resources Management System and HUD's Disaster Recovery Grant Reporting system.

In addition, we interviewed the City's employees and HUD's staff.

We reviewed all 144 vouchers processed as of March 21, 2013, which totaled more than \$16.8 million in Program funds. We also reviewed the nearly \$2.1 million in fire insurance funds the City transferred from its fire insurance escrow account into its Program account. Further, we randomly selected and reviewed 10 of the 334 addresses in the City's report that corresponded with the City's activities, for which it did not transfer any fire insurance funds into its Program account.

We were conservative in our determination of the amount of unnecessary interest that the U.S. Treasury paid. We based our calculation on the 10-year U.S. Treasury rate using simple interest on the inappropriately drawn down Program funds from the date that the funds were deposited into the City's Program account through June 20, 2013.

We did not rely on data from the City's Tidemark Advantage system for its activities. We performed a detailed assessment of the reliability of the data and found the data was not adequately reliable for our purposes.

We conducted the audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our finding and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our finding and conclusions based on our audit objectives.

INTERNAL CONTROLS

Internal control is a process adopted by those charged with governance and management, designed to provide reasonable assurance about the achievement of the organization's mission, goals, and objectives with regard to

- Effectiveness and efficiency of operations,
- Reliability of financial reporting, and
- Compliance with applicable laws and regulations.

Internal controls comprise the plans, policies, methods, and procedures used to meet the organization's mission, goals, and objectives. Internal controls include the processes and procedures for planning, organizing, directing, and controlling program operations as well as the systems for measuring, reporting, and monitoring program performance.

Relevant Internal Controls

We determined that the following internal controls were relevant to our audit objectives:

- Effectiveness and efficiency of operations – Policies and procedures that management has implemented to reasonably ensure that a program meets its objectives.
- Reliability of financial reporting – Policies and procedures that management has implemented to reasonably ensure that valid and reliable data are obtained, maintained, and fairly disclosed in reports.
- Compliance with applicable laws and regulations – Policies and procedures that management has implemented to reasonably ensure that resource use is consistent with laws and regulations.

We assessed the relevant controls identified above.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, the reasonable opportunity to prevent, detect, or correct (1) impairments to effectiveness or efficiency of operations, (2) misstatements in financial or performance information, or (3) violations of laws and regulations on a timely basis.

Significant Deficiency

Based on our review, we believe that the following item is a significant deficiency:

- The City lacked adequate procedures and controls to ensure that Federal regulations were followed in its (1) maintenance of accounting records for activities and (2) drawing down of Program funds for activities.

APPENDIXES

Appendix A

SCHEDULE OF QUESTIONED COSTS AND FUNDS TO BE PUT TO BETTER USE

Recommendation number	Ineligible 1/	Unsupported 2/	Funds to be put to better use 3/ <u>\$2,050,760</u>
1A			
1C	\$203,802		
1D	<u>76,750</u>		
1F		\$3,833	
1H		<u>14,250</u>	
Totals	<u>\$280,552</u>	<u>\$18,083</u>	<u>\$2,050,760</u>

- 1/ Ineligible costs are costs charged to a HUD-financed or HUD-insured program or activity that the auditor believes are not allowable by law; contract; or Federal, State, or local policies or regulations.
- 2/ Unsupported costs are those costs charged to a HUD-financed or HUD-insured program or activity when we cannot determine eligibility at the time of the audit. Unsupported costs require a decision by HUD program officials. This decision, in addition to obtaining supporting documentation, might involve a legal interpretation or clarification of departmental policies and procedures.
- 3/ Recommendations that funds be put to better use are estimates of amounts that could be used more efficiently if an Office of Inspector General (OIG) recommendation is implemented. These amounts include reductions in outlays, deobligation of funds, withdrawal of interest, costs not incurred by implementing recommended improvements, avoidance of unnecessary expenditures noted in preaward reviews, and any other savings that are specifically identified. In this instance, implementation of our recommendation will ensure that the City used fire insurance funds and Program refunds for eligible Program costs.

Appendix B

AUDITEE COMMENTS AND OIG'S EVALUATION

Ref to OIG Evaluation

Auditee Comments

Comment 1

Comment 1

<p>Ref to OIG Evaluation</p> <p>Comment 1</p> <p>Comment 1</p>	<p>Auditee Comments</p> <p>City of Detroit Planning and Development Department</p> <p>December 13, 2013</p> <p>Ms. Kelly Anderson HUD Inspector General for Audit - Region 5 77 West Jackson Boulevard, Room 2201 Chicago, Illinois 60604 – 3507</p> <p>Re: City of Detroit Draft Audit Report</p> <p>Dear Ms. Anderson:</p> <p>This correspondence is to acknowledge receipt of the discussion draft audit report prepared by your office for the City of Detroit Neighborhood Stabilization Program funded demolition activities. The Planning and Development Department (P&DD) has reviewed the discussion draft audit report and concurs with the content, conclusions and recommendations contained therein. Similarly, we are committed to work with the Detroit area office of HUD to complete the restructuring of our demolition program that has been underway for a number of months.</p> <p>While we conclude no formal exit conference is necessary, we appreciate your colleague Eric Lindeman agreeing to participate in an informal discussion on the audit report. With the pending transition in administrations I would use that conversation as clarity of communication and a training opportunity to institutionalize the required reforms going forward.</p> <p>We have realigned responsibilities to enable P&DD to have significantly more control over general administration of the demolition program including use of funds, overall coordination, procurement, activity and accounting records and reports. The Building, Safety, Engineering and Environmental Department (BSEED) role has reverted back to its traditional role as a regulatory agency for the issuance of permits and carrying out field inspections.</p> <p>Thank you and your colleagues for providing detailed information necessary to assist with moving our programs forward. If you have any questions or comments, don't hesitate to contact me at your convenience.</p> <p>Sincerely,</p> <p><i>Robert S. Anderson</i></p> <p>Robert Anderson, Jr.</p> <p>Cc: The Honorable Dave Bing, Mayor, City of Detroit Keith Hernandez, Director of CPD, Detroit Area Office of HUD Marja Winters, Deputy Director of P&DD David Bell, Interim Director, Detroit BSEED</p>
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OIG's Evaluation of Auditee Comments

Comment 1 The City's commitment to working with HUD's Detroit Office of Community Planning and Development to complete the restructuring of its demolition program as well as its realignment of responsibilities, if fully implemented, should improve the City's administration of its activities.

Appendix C

FEDERAL REGULATIONS

HUD's grant agreement with the City for Program funds, dated March 19, 2009, states that the following are part of the grant agreement: the Federal Register, dated October 6, 2008; the Housing and Economic Recovery Act of 2008; the City's submission for Program assistance; HUD's regulations at 24 CFR Part 570; and the funding approval.

The Federal Register, dated October 6, 2008, states that except as described in the Federal Register, statutory and regulatory provisions governing the Block Grant program, including the provisions in subparts A, C, D, J, K, I, and O of 24 CFR Part 570, as appropriate, should apply to the use of Program funds.

HUD's regulations at 24 CFR 85.20(b)(2) state that grantees must maintain records that adequately identify the source and application of funds provided for financially assisted activities. These records must contain information pertaining to grant or subgrant awards and authorizations, obligations, unobligated balances, assets, liabilities, outlays or expenditures, and income.

HUD's regulations at 24 CFR 85.21(f)(2) state that grantees must disburse program income, rebates, refunds, contract settlements, audit recoveries, and interest earned on such funds before requesting additional cash payments.

HUD's regulations at 24 CFR 570.502(a) state that recipients and subrecipients that are governmental entities, including public agencies, must comply with Office of Management and Budget Circular A-87 and 24 CFR 85.20 and 85.21.

Appendix A, section C.1, of 2 CFR Part 225¹⁷ requires all costs to be necessary, reasonable, adequately documented, and net of all applicable credits. Section C.2 states that a cost is reasonable if, in its nature or amount, it does not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision was made to incur the cost. In determining reasonableness of a given cost, consideration must be given to (1) the restraints or requirements imposed by such factors as sound business practices and Federal, State, and other laws and regulations and (2) whether the individuals concerned acted with prudence in the circumstances, considering their responsibilities to the organization, its employees, the public at large, and the Federal Government. Section C.4.a states that applicable credits refer to those receipts or reduction of expenditure-type transactions that offset or reduce expense items allocable to Federal awards. Examples of such transactions include purchase discounts, rebates or allowances, recoveries or indemnities on losses, insurance refunds or rebates, and adjustments of overpayments or erroneous charges. As appropriate, these amounts should be credited to the Federal award either as a cost reduction or cash refund.

¹⁷ Office of Management and Budget Circular A-87 was relocated to 2 CFR Part 225.



APPENDIX C: U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
10/28/19 MANAGEMENT DECISION



U.S. Department of Housing and Urban Development

Detroit Field Office
Office of Community Planning and Development
Patrick V. McNamara Federal Building
477 Michigan Avenue, Room 1710
Detroit, MI 48226-2592
Tel. (313) 226-7900 FAX (313) 226-6689

October 28, 2019

Mr. Donald Rencher, Director
Housing & Revitalization Department
City of Detroit
Coleman A. Young Municipal Center
2 Woodward Avenue, Suite 908
Detroit, MI 48226

Dear Mr. Rencher:

SUBJECT: The City of Detroit Neighborhood Stabilization Program (NSP-1)
Audit Report Number: 2014-CH-1002, Issue Date: January 6, 2014
HUD Management Decision - Update

The purpose of this letter is to follow-up on the Audit Report Number 2014-CH-1002 (the Report) covering the Neighborhood Stabilization Program (NSP-1) issued by the Regional Office of the Inspector General (OIG) for Audit, U.S. Department of HUD. A copy was previously transmitted to the City of Detroit (the City).

This letter reviews the status and requirements for each of the ten recommendations for the one finding cited in the Report. Some of the corrective actions changed with a revised management decision that was approved by the OIG on October 22, 2019. Recommendations 1A, 1D, 1E, 1F, 1H, 1I, and 1J are closed. The management decisions for the balance of the open recommendations, 1B, 1C, and 1G are as follows.

Recommendation 1B

The agreed upon management decision was to require the City to maintain sufficient support for the Program draws that were subsequently credited with \$604,312 in fire insurance funds that the City transferred into its Program account on July 2, 2013, the use and disbursement information for the \$604,312 in Program fund credits, and calculated amounts of any unnecessary interest paid by the U.S. Treasury for all inappropriate draws that might have transpired in association with the July 2, 2013, transfer of \$604,312 to the Program fund. In addition, HUD's Detroit Office of Community Planning and Development would review a sample of the support and require repayment from non-Federal funds to the U.S. Treasury for all unnecessary interest paid for inappropriate draws.

The City provided a schedule showing the calculated amount of \$44,338 in unnecessary interest the U.S. Treasury paid on the Program funds that the City inappropriately drew down for activities when it had fire insurance funds for the properties associated with the activities. However, the City was not consistent in its calculations. There were times when the City calculated interest on non-demolition draws at the time of the non-demolition draws and other times when the City did not begin calculating interest on non-demolition draws until demolition draws occurred. Further, the City's schedule inappropriately included more than one calculation

of interest in one day on at least two occasions. The City also provided a schedule showing the uses and the disbursement dates of the \$604,312 in Program credited funds and supporting documentation, including invoices and payment information, for 10 percent of the credited funds HUD's Detroit Office of Community Planning and Development selected for review. However, the supporting documentation did not include cancelled checks or banks statements to support that the credited funds were disbursed for Program-eligible expenses. The City said that it did not have any additional supporting documentation for the use of the credited funds.

HUD's Detroit Office of Community Planning and Development and HUD's Office of Inspector General agreed that reviewing the City's schedule in totality, by comparing the schedule to the supporting documentation, and revising the schedule to reflect the necessary corrections would take a substantial amount of time and not result in a significant change in the unnecessary interest. Therefore, HUD's Detroit Office of Community Planning and Development and HUD's Office of Inspector General agreed to move forward with the City's calculated amount of \$44,338 in unnecessary interest.

HUD's Detroit Office of Community Planning and Development will require the City to reimburse the U.S. Treasury \$44,338 from non-Federal funds. The required evidence of support needed to close Recommendation 1B is as follows:

1. A copy of a transfer of funds to the U.S. Department of HUD for the calculated \$44,338 owed to the U.S. Treasury; and
2. A copy of accounting records showing the source is from non-Federal funds.

Recommendation 1C

The agreed upon management decision was to require the City to maintain sufficient support including invoices and payment information demonstrating that it used \$131,993 in fire insurance funds and \$71,809 in duplicate draws totaling \$203,802 for Program-eligible costs before drawing down additional Program funds. In addition, HUD's Detroit Office of Community Planning and Development would review a sample of the support to ensure the credited Program funds were used before drawing additional Program funds.

The City provided a schedule showing the uses and the disbursement dates of the \$203,802 in Program credited funds and supporting documentation, including invoices and payment information, for 10 percent of the credited funds HUD's Detroit Office of Community Planning and Development selected for review. However, the supporting documentation did not include cancelled checks or banks statements to support that the credited funds were disbursed for Program-eligible expenses. The City said that it did not have any additional supporting documentation for the use of the credited funds. Therefore, HUD's Detroit Office of Community Planning and Development will require the City to reimburse its Program line of credit with the U.S. Department of HUD \$203,802 from non-Federal funds. The required evidence of support needed to close Recommendation 1C is as follows:

1. A copy of a transfer of funds to the U.S. Department of HUD to return \$203,802 to the Program line of credit; and

2. A copy of accounting records showing the source is from non-Federal funds.

Recommendation 1G

The agreed upon management decision was to require the City to maintain supporting documentation for the remaining 177 addresses in its report to demonstrate whether fire insurance funds were available when it drew down Program funds for the demolition costs. If fire insurance funds were available, the City must maintain supporting documentation demonstrating the use of the fire insurance funds for eligible Program costs before drawing down additional Program funds. HUD's Detroit Office of Community Planning and Development will review a sample of the support to ensure the credited funds went to the appropriate program fund accounts and were disbursed for Federal program-eligible expenses before additional draws were made. In addition, for any amounts drawn before the use of the fire insurance funds, the City must maintain a ledger showing a calculation of the amount owed to the U.S. Treasury based on the 10-year U.S. Treasury rate using simple interest from the date of the draws until the dates when the City appropriately used the Program fund credits. The City must provide a copy of a check to the U.S. Department of HUD for the calculated amount owed to the U.S. Treasury and accounting records showing the source is from non-Federal funds.

HUD's Office of Inspector General found that the City drew down \$212,229 in Program funds for demolition costs associated with the 177 addresses when it was possible there were local Fire Insurance Escrow funds available for those costs.

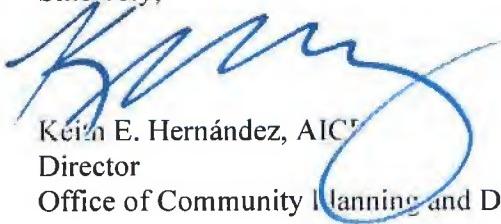
The City informed HUD's Detroit Office of Community Planning and Development that its records for its demolition program and Fire Insurance Escrow funds were incomplete and it could not complete a review of the 177 addresses in its report to demonstrate whether fire insurance funds were available when it drew down Program funds for the demolition costs. Therefore, the City also could not determine whether U.S. Treasury paid unnecessary interest on Program funds it drew down for the activities due to having fire insurance funds for the properties associated with the activities. Since the City could not complete the review and determine whether the U.S. Treasury paid unnecessary interest, HUD's Detroit Office of Community Planning and Development estimated an amount of interest owed based on the percentage of unnecessary interest determined for Recommendation 1B. Since \$212,229 is approximately 35% of the \$604,312 questioned in recommendation 1B and the City is being required to reimburse the U.S. Treasury \$44,338 in unnecessary interest for recommendation 1B, HUD's Detroit Office of Community Planning and Development estimated the unnecessary interest for recommendation 1G to be \$15,518 (35% of \$44,338).

Therefore, HUD's Detroit Office of Community Planning and Development will require the City to reimburse its Program line of credit with the U.S. Department of HUD \$212,229 from non-Federal funds. Further, HUD's Detroit Office of Community Planning and Development will require the City to reimburse the U.S. Treasury \$15,518 from non-Federal funds. The required evidence of support needed to close Recommendation 1G is as follows:

1. A copy of a transfer of funds to the U.S. Department of HUD to return \$212,229 to the Program line of credit and a copy of accounting records showing the source is from non-Federal funds; and
2. A copy of a transfer of funds to the U.S. Department of HUD for the calculated \$15,518 owed to the U.S. Treasury and a copy of accounting records showing the source is from non-Federal funds.

Please submit the requested evidence of support for Recommendations 1B, 1C, and 1G in the next 30 days by emailing the documentation to my attention at this email address: DetroitCPD@hud.gov with a copy to Ms. Cynthia Vails, Senior Financial Analyst, at cynthia.c.vails@hud.gov. For the repayment, please note that separate transfers are required for returning funds to the line of credit verses repaying funds to the U.S. Treasury through HUD. For instructions on returning the funds, please contact Ms. Vails at telephone number 313-234-7335 or email at cynthia.c.vails@hud.gov. Thank you for your cooperation through this process.

Sincerely,



Keith E. Hernández, AICP
Director
Office of Community Planning and Development



18

November 01, 2019

Detroit City Council
1340 Coleman A. Young Municipal Center
Detroit, MI 48226

**RE: Amended Property Sale by Development Agreement
81, 95, 107 and 119 Garfield, Detroit, MI 48201**

Honorable City Council:

On July 31, 2018, your Honorable Body adopted a resolution approving the sale by development agreement of certain real property at 81, 95, 107 and 119 Garfield, Detroit, MI (the “Properties”) to POAH DD Sugar Hill, LLC (“Developer”) for the purchase price of Four Hundred Thousand and 00/100 Dollars (\$400,000.00) (the “Purchase Price”). The Developer proposes to construct an 85-unit, six story, mixed apartment building with ground-floor commercial use and an attached parking structure on the Properties.

Due to financing complications, increased construction costs and unexpected environmental costs, the Developer has proposed to reduce the Purchase Price to Two Hundred Thousand and 00/100 Dollars (\$200,000.00) (the “Revised Purchase Price”) to help reduce the project’s funding gap. The City has reviewed the circumstances and financial information surrounding the Developer’s proposal and find the Revised Purchase Price to be necessary to move the project to a closing.

We, therefore, request that your Honorable Body adopt the attached resolution that authorizes the City to sell the Properties to the Developer at the Revised Purchase Price.

Respectfully submitted,

Kathleen D. Zedan

Katharine G. Trudeau
Deputy Director

cc: Stephanie Washington, Mayor's Office

RESOLUTION

BY COUNCIL MEMBER: _____

WHEREAS, on July 31, 2018, Detroit City Council adopted that certain resolution (the "Resolution") approving the sale by development agreement of certain real property 81, 95, 107 and 119 Garfield, Detroit, MI (the "Properties"), as more particularly described in the attached Exhibit A incorporated herein, to POAH DD Sugar Hill, LLC ("Developer") for the purchase price of Four Hundred Thousand and 00/100 Dollars (\$400,000.00) (the "Purchase Price"); and

WHEREAS, financing complications, increased construction costs and unexpected environmental costs have created a funding gap that is preventative to closing on the sale of the Properties to Developer; and

WHEREAS, the City wishes to discount the Purchase Price to a revised amount of Two Hundred Thousand and 00/100 Dollars (\$200,000.00) in furtherance of the remediation, sale and development of the Properties; now therefore be it

RESOLVED, that the Resolution is hereby amended such that the City is authorized to sell the Properties to the Developer for the revised Purchase Price of Two Hundred Thousand and 00/100 Dollars (\$200,000.00) and be it finally

RESOLVED, that the Director of the Planning and Development Department ("P&DD"), or his authorized designee, is authorized to execute a quit claim deed to the Properties, as well as execute such other documents as may be necessary or convenient to effect the transfer of the Properties to the Developer consistent with the Resolution as amended by this resolution.

(See Attached Exhibit A)

EXHIBIT A

LEGAL DESCRIPTIONS

Land in the City of Detroit, County of Wayne and State of Michigan being Lots 8, 9, 10 and the South 140.26 feet of Lot 11; Plat of Hubbard & King's Subdivision of Park Lot 32 & Part of Park Lot 33, City of Detroit, Wayne County, Michigan, T. 2 S., R. 12 E. Rec'd L. 7, P. 20 Plats, W.C.R.

DESCRIPTION CORRECT
ENGINEER OF SURVEYS

BY Basil Sarim
CED
D. M. /

a/k/a 119, 107, 95 & 81 Garfield

Ward 01 Items 1163, 1164, 1165 & 1166



November 1, 2019

Detroit City Council
1340 Coleman A. Young Municipal Center
Detroit, Michigan 48226

RE: Authority to transfer certain City-owned properties approved for transfer in connection with certain Property Agreements supporting the Mack 1 Plant, Mack 2 Plant, Jefferson North Assembly Plant Projects first to Detroit Land Bank Authority for expedited quiet title proceedings

Honorable City Council:

The City of Detroit (“City”), City of Detroit Brownfield Redevelopment Authority (“DBRA”) and FCA US LLC (“FCA”) have entered that certain Development Agreement relating to the investment of approximately \$2.5 billion in FCA’s Mack 1, Mack 2 and Jefferson North Assembly Plants (collectively the “Projects”) to expand certain industrial automotive manufacturing in the City. It is anticipated that the Projects will result in the creation of approximately 4,950 additional FCA jobs in the City, as well as increase business and economic opportunities for related supplier and support industries.

In support of the Projects, the Detroit City Council also approved various land transfers of City-owned properties, described in the following agreements (the “Property Agreements”):

- Property Exchange Agreement by and among the City, DBRA and DTE Electric Company approved on April 30, 2019
 - Property Exchange Agreement by and among the City, DBRA and Fodale Group & Associates approved on May 21, 2019
 - Purchase and Sale Agreement among the City, DBRA and Lynch Road Land, LLC approved on May 21, 2019

As part of title review in connection with the Property Agreements, Planning and Development Department (P&DD) and DBRA have determined that for certain City-owned properties authorized to be transferred under the Property Agreements, a quiet title action may be necessary or desirable in order to provide insurable title. P&DD hereby requests that any City-owned property authorized to be conveyed under any of the Property Agreements, at the election of DBRA and subject to the consent of the Detroit Land Bank Authority (the “DLBA”), be authorized to be conveyed by the City to the DLBA for purposes of quieting title, with the DLBA thereafter deeding a property so transferred either back to the City, DBRA, or to an authorized transferee under the applicable Property Agreement.



P&DD is hereby requesting that your Honorable Body adopt the attached resolution authorizing the transfer of the properties to the DLBA solely for the purposes of quieting title.

Respectfully submitted,

A handwritten signature in blue ink that reads "Katharine G. Trudeau". The signature is fluid and cursive, with "Katharine" on the first line and "G. Trudeau" on the second line.

Katharine Trudeau, Deputy Director
Planning and Development Department

cc: S. Washington (Mayor's Office)

RESOLUTION

BY COUNCIL MEMBER: _____

WHEREAS, the City of Detroit (“City”), City of Detroit Brownfield Redevelopment Authority (“DBRA”) and FCA US LLC (“FCA”) have entered into transactions to bring about the investment of approximately \$2.5 billion in FCA’s Mack 1, Mack 2 and Jefferson North Assembly Plants (collectively the “Projects”) to expand certain industrial automotive manufacturing in the City; and

WHEREAS, in support of the Projects, the Detroit City Council previously approved various land transfers of City-owned properties, described in the following agreements (the “Property Agreements”):

- Property Exchange Agreement by and among the City, DBRA and DTE Electric Company, approved on April 30, 2019;
- Property Exchange Agreement by and among the City, DBRA and Fodale Group & Associates, approved on May 21, 2019; and
- Purchase and Sale Agreement among the City, DBRA and Lynch Road Land, LLC, approved on May 21, 2019.

RESOLVED, that any City-owned property authorized to be conveyed under any of the Property Agreements, at the election of DBRA and subject to the consent of the Detroit Land Bank Authority (the “DLBA”), is hereby authorized to be conveyed by the City to the DLBA for purposes of quieting title, with the DLBA thereafter deeding a property so transferred either back to the City, DBRA, or to an authorized transferee under the applicable Property Agreement, and be it finally

RESOLVED, that the Planning and Development Department (“P&DD”) Director, or his or her authorized designee, is authorized to execute and issue quit claim deeds to the DLBA for the aforementioned purposes, as well as execute such other documents as may be necessary or convenient to effect the intent of this resolution.



RESOLUTION

BY COUNCIL MEMBER: _____

WHEREAS, the City of Detroit (“City”), City of Detroit Brownfield Redevelopment Authority (“DBRA”) and FCA US LLC (“FCA”) have entered into transactions to bring about the investment of approximately \$2.5 billion in FCA’s Mack 1, Mack 2 and Jefferson North Assembly Plants (collectively the “Projects”) to expand certain industrial automotive manufacturing in the City; and

WHEREAS, in support of the Projects, the Detroit City Council previously approved various land transfers of City-owned properties, described in the following agreements (the “Property Agreements”):

- Property Exchange Agreement by and among the City, DBRA and DTE Electric Company, approved on April 30, 2019;
- Property Exchange Agreement by and among the City, DBRA and Fodale Group & Associates, approved on May 21, 2019; and
- Purchase and Sale Agreement among the City, DBRA and Lynch Road Land, LLC, approved on May 21, 2019.

RESOLVED, that any City-owned property authorized to be conveyed under any of the Property Agreements, at the election of DBRA and subject to the consent of the Detroit Land Bank Authority (the “DLBA”), is hereby authorized to be conveyed by the City to the DLBA for purposes of quieting title, with the DLBA thereafter deeding a property so transferred either back to the City, DBRA, or to an authorized transferee under the applicable Property Agreement, and be it finally

RESOLVED, that the Planning and Development Department (“P&DD”) Director, or his or her authorized designee, is authorized to execute and issue quit claim deeds to the DLBA for the aforementioned purposes, as well as execute such other documents as may be necessary or convenient to effect the intent of this resolution.



CITY OF DETROIT
PLANNING AND DEVELOPMENT DEPARTMENT

COLEMAN A. YOUNG MUNICIPAL CENTER
2 WOODWARD AVENUE SUITE 808
DETROIT, MICHIGAN 48226
(313) 224-1339 • TTY:711
(313) 224-1310
WWW.DETROITMI.GOV

20

October 27, 2019

Detroit City Council
1340 Coleman A. Young Municipal Center
Detroit, MI 48226

**RE: Bridging Neighborhoods Program
Transfer to the Detroit Land Bank Authority
1563 Cavalry, 1663 Waterman, 8147 Chamberlain, 8336 Navy, 1640 Woodmere and
4349 Apple**

Honorable City Council:

The Bridging Neighborhoods Program (the “Program”) is being offered to eligible homeowners in identified areas of Detroit, who currently occupy their homes and are directly affected by the Gordie Howe International Bridge Project.

Under the Program, these homeowners are being given the opportunity to purchase a Program renovated home (“Program Home”) from the Detroit Land Bank Authority (“DLBA”) for \$1.00, in exchange for the Program Buyer deeding their Exchange Eligible Home directly to the City. The City would then demolish and clear these acquired properties for future non-residential uses, including landscape buffering and commercial/industrial uses.

The City entered into an agreement with the DLBA to provide certain DLBA housing stock and real estate services (“Agreement”) as needed to support the Program. In 2019, the City acquired 1563 Cavalry, 1663 Waterman, 8147 Chamberlain, 8336 Navy, 1640 Woodmere and 4349 Apple (“the Properties”), all being unoccupied tax foreclosed properties, from the Wayne County Treasurer. The City seeks authorization by your Honorable Body to transfer these homes to the DLBA, so that the DLBA may secure, maintain and conduct any necessary title reviews on the Properties. This would serve to mitigate some of the issues in preparing these homes for inclusion in the housing stock for this program.

We, therefore, respectfully request that your Honorable Body adopt the attached resolution, authorizing the Planning and Development Department Director, or his or her authorized designee, to issue a quit claim deed to the Properties, as more particularly described in the attached Exhibit A, and such other documents as may be necessary to effectuate the transfer of the Properties, from the City of Detroit to the DLBA for the consideration of One and 00/100 Dollar (\$1.00).

Respectfully Submitted,

Katharine G. Trudeau
Deputy Director

KT/ajm

cc: S. Washington, Mayor's Office

RESOLUTION

By Council Member _____

WHEREAS, The Bridging Neighborhoods Program (the “Program”) is offered to eligible homeowners (the “Program Buyer”) in identified areas of Detroit, who currently occupy their homes (“Exchange Eligible Home”) and will be directly affected by the Gordie Howe International Bridge Project; and

WHEREAS, Under the Program, these homeowners are being given the opportunity to purchase a Program renovated home (“Program Home”) from the Detroit Land Bank Authority (“DLBA”) for \$1.00, in exchange for the Program Buyer deeding their Exchange Eligible Home directly to the City. The City plans to demolish and clear these acquired properties for future non-residential uses, including landscape buffering and commercial/industrial uses; and

WHEREAS, The City entered into an agreement with the DLBA to provide certain DLBA housing stock and real estate services (“Agreement”) as needed to support the Program; and

WHEREAS, In 2019, the City acquired 1563 Cavalry, 1663 Waterman, 8147 Chamberlain, 8336 Navy, 1640 Woodmere and 4349 Apple (the “Properties”), all being unoccupied tax foreclosed properties, from the Wayne County Treasurer. The transfer of these homes to the DLBA is necessary, so that the DLBA may secure, maintain and mitigate some of the issues in preparing these homes for inclusion in the housing stock for this program.

NOW, THEREFORE, BE IT RESOLVED, That in accordance with the foregoing communication, the Planning and Development Department Director, or his or her authorized designee, be and is hereby authorized, to issue a quit claim deed to the Properties, as more particularly described in the attached Exhibit A, and such other documents as may be necessary to effectuate the transfer of the Properties, from the City of Detroit to the Detroit Land Bank Authority, a Michigan public body corporate for the consideration of One and 00/100 Dollar (\$1.00); and

BE IT FINALLY RESOLVED, that the Director of the Planning and Development Department, or his authorized designee, be and is hereby authorized to execute any required instruments to make or incorporate technical amendments or changes to the deed and such other documents as may be necessary to effectuate the transfer (including but not limited to corrections to or confirmations of legal descriptions, or timing of tender of possession of particular parcels) in the event that changes are required to correct minor inaccuracies or are required due to unforeseen circumstances or technical matters that may arise prior to the conveyance of the Properties, provided that the changes do no materially alter the substance or terms of the transfer.

A WAIVER OF RECONSIDERATION IS REQUESTED.

EXHIBIT A

PROPERTY SITUATED IN THE CITY OF DETROIT, COUNTY OF WAYNE AND STATE OF MICHIGAN, DESCRIBED AS FOLLOWS:

W CAVALRY LOT 420 DANIEL SCOTTENS RESUB L3 P32 PLATS, WCR 16/26
30X150

**A/K/A 1563 CAVALRY
WARD 16 ITEM 015144**

W WATERMAN LOT 1 THOMAS BROS SUB L24 P88 PLATS, WCR 18/163 43X138.72

**A/K/A 1663 WATERMAN
WARD 18 ITEM 008182**

S CHAMBERLAIN LOT 204 EXC N 5 FT RATHBONES SUB OF O L 4 L11 P42 PLATS, WCR 20/159 25X121

**A/K/A 8147 CHAMBERLAIN
WARD 20 ITEM 002328**

N NAVY LOT 289 CROSMANS SUB L16 P93 PLATS, WCR 20/183 30X118.89A

**A/K/A 8336 NAVY
WARD 20 ITEM 003919**

E WOODMERE LOT 76 JOHN P CLARK EST SUB L24 P32 PLATS, WCR 20/172 34X100

**A/K/A 1640 WOODMERE
WARD 20 ITEM 008422**

W APPLE LOT 7 AND S 15 FT LOT 8 T LARKINS SUB L17 P74 PLATS, WCR 18/221 45X124.98A

**A/K/A 4349 APPLE
WARD 18 ITEM 011361**

**Description Correct
Engineer of Surveys**

By _____

21



City of Detroit

CITY COUNCIL

CITY CLERK 2019 NOV 1 PM 12:59

MARY SHEFFIELD
COUNCIL PRESIDENT PRO TEMPORE
DISTRICT 5

MEMORANDUM

TO: David Whitaker, Director, Legislative Policy Division
FROM: Council President Pro Tempore Mary Sheffield, Chair, Neighborhoods and Community Services Committee *(MS)*
THRU: James Tate, Chair, Planning and Economic Development Committee
DATE: November 1, 2019
RE: Jefferson Houze LED Sign

My office has received several complaints regarding the newly erected LED sign at Jefferson Houze on East Jefferson. Please add this issue as a line item to the Planning and Economic Development Committee and answer the following:

- Did Jefferson Houze need Council/City authorization to erect the LED sign?
- If so, did they ever come before Council?
- What are the current regulations regarding LED signs outside of the CBD?
- Is the Jefferson Houze sign in violation of any regulations or ordinances?

Thank you for your prompt response.